

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Indústrias Romi S.A.

Report on Review of Individual and
Consolidated Interim Financial Information
for the Quarter Ended September 30, 2021

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of
Indústrias Romi S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Indústrias Romi S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form - ITR for the quarter ended September 30, 2021, which comprises the individual and consolidated balance sheet as at September 30, 2021, and the related individual and consolidated statements of profit and loss and of comprehensive income for the three- and nine-month periods then ended, and the individual and consolidated statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of Interim Financial Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Interim Financial Information - ITR referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM.

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Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added ("DVA") for the nine-month period ended September 30, 2021, prepared under the responsibility of the Company's Management and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the Interim Financial Information (ITR) to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Campinas, October 26, 2021



DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.



Paulo de Tarso Pereira Jr.
Engagement Partner

INDÚSTRIAS ROMI S.A.

BALANCE SHEETS
QUARTERS ENDED SEPTEMBER 30

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

		Parent		Consolidated				Parent		Consolidated	
	Note	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020		Note	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
ASSETS						LIABILITIES AND EQUITY					
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	3	21.059	140.932	63.188	195.418	Borrowings	13	32.451	115.025	34.170	115.422
Short-term investments	3	50.283	127.166	50.283	127.166	FINAME manufacturer financing	14	138.253	122.704	138.253	122.704
Trade accounts receivable	4	129.720	98.974	193.624	186.183	Trade accounts payable		130.186	87.756	156.606	96.054
Onlending of FINAME - manufacturer financing	5	147.982	131.494	147.982	131.494	Payroll and related taxes		43.123	27.272	55.593	36.163
Inventories	6	430.867	266.114	584.342	358.674	Taxes payable		14.916	7.553	23.225	13.182
Related parties	8	47.942	47.052	-	-	Advances from customers		48.179	32.156	107.083	70.462
Taxes recoverable	9	72.796	44.538	84.277	51.204	Profit sharing		4.886	4.856	4.886	4.856
Other receivables		8.556	13.686	14.286	18.556	Dividends and interest on capital		25.504	91.130	25.513	91.130
		909.205	869.956	1.137.982	1.068.695	Provision for tax, labor and civil risks	15	1.525	1.216	1.525	1.216
						Other payables		4.933	3.811	27.661	35.612
						Related parties	8	2.130	430	-	-
								446.086	493.909	574.515	586.801
NONCURRENT ASSETS						NONCURRENT LIABILITIES					
Trade accounts receivable	4	19.482	11.161	24.778	13.106	Borrowings	13	115.563	62.384	147.600	96.668
Onlending of FINAME - manufacturer financing	5	217.650	203.222	217.650	203.222	FINAME manufacturer financing	14	211.616	201.710	211.616	201.710
Related parties	8	46.050	34.223	-	-	Provision for tax, labor and civil risks	15	561	296	561	296
Taxes recoverable	9	49.044	28.250	49.050	28.256	Other payables		-	48	3.609	3.277
Deferred income tax and social contribution	16	15.425	23.552	21.078	23.934	Provision for equity deficit of subsidiaries	7	10.620	11.129	-	-
Judicial deposits	15	12.092	1.884	12.092	1.884	Deferred income tax and social contribution	16	-	-	41.490	43.372
Other receivables		5.292	3.054	5.838	3.687			338.360	275.567	404.876	345.323
		365.035	305.346	330.486	274.089	TOTAL LIABILITIES		784.446	769.476	979.391	932.124
Investments in subsidiaries	7	166.647	180.393	-	-	EQUITY					
Property, plant and equipment	11	248.250	212.188	349.784	314.748	Capital	17	637.756	637.756	637.756	637.756
Investment property	10	13.500	13.500	16.621	18.388	Earnings reserve		189.845	86.894	189.845	86.894
Intangible assets	12	1.042	1.096	65.310	70.788	Carrying value adjustment		91.632	88.353	91.632	88.353
		794.474	712.523	762.201	678.013			919.233	813.003	919.233	813.003
						NONCONTROLLING INTEREST		-	-	1.559	1.581
						TOTAL EQUITY		919.233	813.003	920.792	814.584
TOTAL ASSETS		1.703.679	1.582.479	1.900.183	1.746.708	TOTAL LIABILITIES AND EQUITY		1.703.679	1.582.479	1.900.183	1.746.708

The accompanying notes are an integral part of this interim financial information.

INDÚSTRIAS ROMI S.A.**STATEMENTS OF PROFIT AND LOSS
QUARTERS ENDED SEPTEMBER 30**

(In thousands of Brazilian reais - R\$, except for earnings per share expressed in Brazilian reais)
(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Current quarter 2021	Accumulated current year 2021	Same quarter prior year 2020	Parent Accumulated prior year 2020
Operations				
Net operating revenue	303.158	776.452	193.196	430.312
Cost of sales and services	(206.770)	(520.689)	(127.425)	(298.039)
Gross profit	<u>96.388</u>	<u>255.763</u>	<u>65.771</u>	<u>132.273</u>
Operating income (expenses)				
Selling	(16.343)	(44.576)	(12.286)	(30.845)
General and administrative	(9.871)	(26.755)	(6.554)	(21.082)
Research and development	(7.001)	(20.168)	(5.937)	(16.481)
Management profit sharing and fees	(3.900)	(10.991)	(3.399)	(7.507)
Equity in earnings of subsidiaries	(3.021)	(12.747)	(6.030)	(11.641)
Other operating income (expenses), net	637	1.530	652	1.278
	<u>(39.499)</u>	<u>(113.707)</u>	<u>(33.554)</u>	<u>(86.278)</u>
Operating profit	<u>56.889</u>	<u>142.056</u>	<u>32.217</u>	<u>45.995</u>
Finance income (costs)				
Finance income	4.595	9.070	997	30.450
Finance costs	(2.555)	(8.612)	(2.634)	(6.267)
Foreign exchange gains (losses), net	(12)	4.445	2.060	6.358
	<u>2.028</u>	<u>4.903</u>	<u>423</u>	<u>30.541</u>
Profit before taxation	<u>58.917</u>	<u>146.959</u>	<u>32.640</u>	<u>76.536</u>
Income tax and social contribution				
Current	26.830	2.194	3.442	11.624
Deferred	27.909	10.321	-	8.090
	<u>(1.079)</u>	<u>(8.127)</u>	<u>3.442</u>	<u>3.534</u>
Profit for the period	<u>85.747</u>	<u>149.153</u>	<u>36.082</u>	<u>88.160</u>
Basic earnings per share in reais - R\$	<u>1,17</u>	<u>2,03</u>	<u>0,57</u>	<u>1,40</u>

The accompanying notes are an integral part of this interim financial information.

INDÚSTRIAS ROMI S.A.**STATEMENTS OF PROFIT AND LOSS
QUARTERS ENDED SEPTEMBER 30**

(In thousands of Brazilian reais - R\$, except for earnings per share expressed in Brazilian reais)
(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Current quarter 2021	Accumulated current year 2021	Same quarter prior year 2020	Consolidated Accumulated prior year 2020
Operations				
Net operating revenue	366.577	940.665	250.554	612.507
Cost of sales and services	(251.945)	(635.745)	(171.261)	(429.895)
Gross profit	114.632	304.920	79.293	182.612
Operating income (expenses)				
Selling	(26.943)	(77.259)	(21.746)	(61.200)
General and administrative	(21.904)	(63.549)	(18.296)	(53.068)
Research and development	(7.001)	(20.168)	(5.937)	(16.481)
Management profit sharing and fees	(3.938)	(11.088)	(3.425)	(7.586)
Other operating income (expenses), net	1.276	4.686	958	1.584
	(58.510)	(167.378)	(48.446)	(136.751)
Operating profit	56.122	137.542	30.847	45.861
Finance income (costs)				
Finance income	4.869	9.624	1.099	31.031
Finance costs	(3.224)	(10.323)	(3.153)	(7.968)
Foreign exchange gains (losses), net	(76)	4.620	2.493	5.857
	1.569	3.921	439	28.920
Profit before taxation	57.691	141.463	31.286	74.781
Income tax and social contribution	28.159	7.950	4.831	13.512
Current	27.556	9.601	1.176	8.836
Deferred	603	(1.651)	3.655	4.676
Profit for the period	85.850	149.413	36.117	88.293
Attributable to				
Controlling interests	85.747	149.153	36.082	88.160
Noncontrolling interests	103	260	35	133
	85.850	149.413	36.117	88.293

The accompanying notes are an integral part of this interim financial information.

INDÚSTRIAS ROMI S.A.

**STATEMENTS OF COMPREHENSIVE INCOME
QUARTERS ENDED SEPTEMBER 30**

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Current quarter 2021	Accumulated current year 2021	Same quarter prior year 2020	Parent Accumulated prior year 2020
Profit for the period	85.747	149.153	36.082	88.160
Foreign currency translation effects	19.478	3.279	10.182	47.586
Comprehensive profit for the period	<u>105.225</u>	<u>152.432</u>	<u>46.264</u>	<u>135.746</u>

The accompanying notes are an integral part of this interim financial information.

INDÚSTRIAS ROMI S.A.**STATEMENTS OF COMPREHENSIVE INCOME
QUARTERS ENDED SEPTEMBER 30**

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Current quarter 2021	Accumulated current year 2021	Same quarter prior year 2020	Consolidated Accumulated prior year 2020
Profit for the period	85.850	149.413	36.117	88.293
Foreign currency translation effects	19.478	3.279	10.182	47.586
Comprehensive profit for the period	<u>105.328</u>	<u>152.692</u>	<u>46.299</u>	<u>135.879</u>
Attributable to				
Controlling interests	105.225	152.432	46.264	135.746
Noncontrolling interests	<u>103</u>	<u>260</u>	<u>35</u>	<u>133</u>
	<u>105.328</u>	<u>152.692</u>	<u>46.299</u>	<u>135.879</u>

The accompanying notes are an integral part of this interim financial information.

INDÚSTRIAS ROMI S.A.

STATEMENTS OF CHANGES IN EQUITY

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

		Attributable to the controlling interests							
Note	Capital	Earnings reserve			Carrying value adjustment	Profit for the period	Total	Noncontrolling interests	Total
		Earnings reserve	Legal reserve	Total					
At December 31, 2019	492.025	165.161	54.321	219.482	45.777	-	757.284	1.598	758.882
Profit for the period	-	-	-	-	-	52.078	52.078	98	52.176
Foreign currency translation effects	-	-	-	-	37.404	-	37.404	-	37.404
Total comprehensive income for the period	-	-	-	-	37.404	52.078	89.482	98	89.580
Interest on capital	-	-	-	-	-	(37.715)	(37.715)	-	(37.715)
Dividends paid by subsidiary	-	-	-	-	-	-	-	(141)	(141)
Transfers between reserves	-	14.363	-	14.363	-	(14.363)	-	-	-
Total contributions by and distributions to controlling interests	-	14.363	-	14.363	-	(52.078)	(37.715)	(141)	(37.856)
At September 30, 2020	492.025	179.524	54.321	233.845	83.181	-	809.051	1.555	810.606
At December 31, 2020	637.756	23.849	63.045	86.894	88.353	-	813.003	1.581	814.584
Profit for the period	-	-	-	-	-	149.153	149.153	260	149.413
Foreign currency translation effects	-	-	-	-	3.279	-	3.279	-	3.279
Total comprehensive income for the period	-	-	-	-	3.279	149.153	152.432	260	152.692
Interim dividends	-	-	-	-	-	(16.868)	(16.868)	-	(16.868)
Interest on capital	17	-	-	-	-	(29.334)	(29.334)	-	(29.334)
Dividends paid by subsidiary	-	-	-	-	-	-	-	(281)	(281)
Transfers between reserves	-	102.951	-	102.951	-	(102.951)	-	-	-
Total contributions by and distributions to controlling interests	-	102.951	-	102.951	-	(149.153)	(46.202)	(281)	(46.484)
At September 30, 2021	637.756	126.800	63.045	189.845	91.632	-	919.233	1.559	920.792

The accompanying notes are an integral part of this interim financial information.

INDÚSTRIAS ROMI S.A.

STATEMENTS OF CASH FLOWS
QUARTERS ENDED SEPTEMBER 30

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Note	Parent		Consolidated	
		2021	2020	2021	2020
Cash flows from operating activities					
Profit before taxation		146.959	76.536	141.463	74.781
Adjustments from:					
Unrealized finance costs and foreign exchange difference		(6.349)	(63.312)	(5.295)	(52.207)
Depreciation and amortization	11, 12	19.052	15.817	32.535	26.710
Allowance (reversal) for doubtful accounts and other receivables	4, 5	(633)	422	(1.235)	945
Recognition of inventory realization	6	(3.558)	1.559	(3.986)	10.716
Gain on disposals of property, plant and equipment and intangible assets	11, 12	(1.412)	(2.165)	(744)	(2.191)
Equity in earnings of subsidiaries	8	12.747	11.641	-	-
Recognition (reversal) of provision for contingent liabilities	15	135	141	135	141
Change in operating assets and liabilities					
Trade accounts receivable		(30.611)	25.665	(10.055)	28.673
Related parties (assets and liabilities)		(11.155)	(41.760)	-	-
Onlending of FINAME - manufacturer financing		(30.108)	(41.008)	(30.103)	(41.008)
Inventories		(161.195)	(12.409)	(220.584)	(81.463)
Taxes recoverable		(38.779)	(22.142)	(8.086)	(36.241)
Judicial deposits		(10.208)	43	(10.208)	43
Other receivables		4.099	51.310	3.327	48.610
Trade accounts payable		44.512	28.413	62.634	23.065
Payroll and related taxes		15.851	11.388	19.430	16.241
Taxes payable		7.363	(1.164)	(26.482)	25.033
Advances from customers		16.023	13.806	36.621	11.156
Other payables		1.592	7.934	(7.150)	11.434
Cash used in operations		(25.675)	60.715	(27.783)	64.438
Income tax and social contribution paid		-	-	(332)	(303)
Cash used in operating activities		(25.675)	60.715	(28.115)	64.135
Cash flows from investing activities					
Short-term investments	3	76.883	(11.414)	76.883	(11.414)
Purchase of property, plant and equipment	11	(55.189)	(28.864)	(56.803)	(28.874)
Purchase of intangible assets	12	(570)	(774)	(570)	(774)
Proceeds from the sale of property, plant and equipment	11	2.111	2.630	2.111	1.737
Dividends received	8	3.770	3.216	-	-
Net cash used in investing activities		27.005	(35.206)	21.621	(39.325)
Cash flows from financing activities					
Interest on capital and dividends paid	17	(111.827)	(39.378)	(112.108)	(39.618)
New borrowings		76.702	129.446	79.637	151.800
Financing paid		(103.195)	(120.258)	(108.253)	(136.874)
Interest paid		(8.338)	(4.197)	(8.338)	(4.197)
New Finame - manufacturer financing		158.388	111.045	158.388	111.045
Payment of Finame - manufacturer financing		(109.585)	(54.044)	(109.585)	(54.044)
Interest paid - Finame - manufacturer financing		(23.348)	(7.791)	(23.348)	(7.791)
Cash provided by (used in) financing activities		(121.203)	14.823	(123.607)	20.321
Increase (decrease) in cash and cash equivalents, net		(119.873)	40.332	(130.101)	45.131
Cash and cash equivalents at the beginning of the period		140.932	102.838	195.418	147.807
Foreign exchange gains (losses) on cash equivalents of foreign subsidiaries		-	-	(2.129)	(12.466)
Cash and cash equivalents at the end of the period		21.059	143.170	63.188	180.472

The accompanying notes are an integral part of this interim financial information.

INDÚSTRIAS ROMI S.A.**STATEMENTS OF VALUE ADDED
QUARTERS ENDED SEPTEMBER 30**

(In thousands of Brazilian reais - R\$)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

	Parent		Consolidated	
	2021	2020	2021	2020
Revenues				
Sales of goods, products and services	892.451	496.991	1.056.936	679.266
Revenues related to the constructions of own assets	48.020	23.899	54.602	23.899
Allowance for doubtful accounts	(633)	(1.565)	1.235	(1.777)
Other operating income, net	1.530	1.278	4.686	1.584
	<u>941.368</u>	<u>520.603</u>	<u>1.117.459</u>	<u>702.972</u>
Inputs acquired from third parties				
Materials used	(616.719)	(265.417)	(628.281)	(337.011)
Other costs of products and services	(24.190)	(16.165)	(28.782)	(21.317)
Electricity, third-party services and other expenses	<u>(42.532)</u>	<u>(28.874)</u>	<u>(75.120)</u>	<u>(52.169)</u>
	<u>(683.441)</u>	<u>(310.456)</u>	<u>(732.183)</u>	<u>(410.497)</u>
Gross value added	257.927	210.147	385.276	292.475
Depreciation and amortization	<u>(19.052)</u>	<u>(15.817)</u>	<u>(32.535)</u>	<u>(26.710)</u>
Net value added generated by the Company	<u>238.875</u>	<u>194.330</u>	<u>352.741</u>	<u>265.765</u>
Value added received through transfers				
Equity in earnings of subsidiaries	(12.747)	(11.641)	-	-
Finance income (costs) and net foreign exchange gains (losses)	<u>13.515</u>	<u>36.807</u>	<u>14.244</u>	<u>36.888</u>
Total value added to distribute	<u>239.643</u>	<u>219.496</u>	<u>366.985</u>	<u>302.653</u>
Distribution of value added				
Employees				
Payroll and related taxes	85.780	89.075	191.241	172.604
Sales commission	6.194	3.409	6.194	3.409
Management profit sharing and fees	10.991	7.507	11.088	7.587
Profit sharing	-	-	-	-
Private pension plan	1.009	790	1.009	790
Taxes, fees and contributions	(24.089)	22.875	(2.192)	23.914
Interest	8.613	6.267	5.703	2.111
Rentals	1.992	1.413	4.756	4.184
Interest on capital declared but not yet distributed	29.334	88.001	29.334	88.001
Noncontrolling interests	-	-	33	(106)
Retained earnings	<u>119.819</u>	<u>159</u>	<u>119.819</u>	<u>159</u>
Value added distributed	<u>239.643</u>	<u>219.496</u>	<u>366.985</u>	<u>302.653</u>

The accompanying notes are an integral part of this interim financial information.

Indústrias Romi S.A.

Notes to the interim financial information at September 30, 2021

(In thousands of Brazilian reais unless otherwise stated)

(Convenience Translation into English from the Original Previously Issued in Portuguese)

1 General information

Indústrias Romi S.A. (Parent) and its subsidiaries (jointly referred to as “Company” or “Consolidated”), listed on the “New Market” of B3 S.A. - Brasil, Bolsa, Balcão, since March 23, 2007, and headquartered in Santa Bárbara d’Oeste, São Paulo, are engaged in the manufacture and sale of capital goods in general, including machine tools, plastic injection molding machines, industrial equipment and accessories, tools, castings and parts, as well as providing system analysis and developing data processing software related to the production, sale, and use of machine tools and plastic injectors; the manufacture and sale of rough cast parts and machined cast parts; the export, import and representation on its own account or on behalf of third parties; and the provision of related services. It also holds interest in other companies as a partner, shareholder or member in other civil or business entities, business ventures of any nature, in Brazil or abroad, as well as the management of its own and/or third-party assets.

The Company's industrial facilities consist of thirteen plants in three units located in the city of Santa Bárbara d’Oeste, in the State of São Paulo, and one located in the city of Reutlingen, Germany. The latter is a large tooling machine manufacturer. It also holds interest in subsidiaries in Brazil and abroad.

This interim financial information was approved by the Company’s Board of Directors and authorized for issue on October 26, 2021.

2 Basis of preparation and accounting policies

The individual and consolidated interim financial information for the quarter ended September 30, 2021 has been prepared in accordance with CVM Ruling No. 673 dated October 20, 2011, which approved accounting standard CPC 21 (R1) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The accounting practices adopted by the Company in the preparation of the individual and consolidated interim financial information are the same as those used in the preparation of the financial statements for the year ended December 31, 2020 and, therefore, should be read in conjunction with those financial statements.

The preparation of the individual and consolidated statements of value added (DVA) is required by the Brazilian corporate law and the accounting practices adopted in Brazil for listed companies, but is not required by IFRS. Therefore, under IFRS, the presentation of such statements is considered supplementary information, and not part of the set of financial statements.

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(a) Notes included in the financial statements for the year ended December 31, 2020 not included in this quarterly information

The individual and consolidated interim financial information is presented in accordance with accounting pronouncement CPC 21 (R1) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The preparation of this individual and consolidated interim financial information involves judgment by the Company's management on the materiality and changes that should be disclosed in the accompanying notes. Accordingly, this individual and consolidated interim financial information includes selected notes and does not comprise all notes presented for the year ended December 31, 2020. As permitted by Circular Letter 03/2011 of the Brazilian Securities and Exchange Commission (CVM), the following notes are not presented:

- Basis of preparation and significant accounting policies (Note 2);
- Pension plan (Note 18);
- Insurance (Note 19);
- Financial instruments and operational risks (Note 20);
- Net sales revenue (Note 23);
- Expenses by nature (Note 24);
- Finance income (costs) (Note 25); and
- Other operating income (expenses), net (Note 26).

3 Cash and cash equivalents and short-term investments

	Parent		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Cash and banks	3,858	7,377	25,440	41,510
Bank deposit certificates (CDB) (a)	17,156	133,490	37,703	153,843
Other	45	65	45	65
Total cash and cash equivalents	21,059	140,932	63,188	195,418
Short-term investments backed by debentures (a)	22,500	10,652	22,500	10,652
Investment funds DI and fixed income (b)	27,783	116,514	27,783	116,514
Total assets held for trading	50,283	127,166	50,283	127,166

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- (a) These investments are substantially pegged to the Interbank Deposit Certificate ("CDI") rate.
- (b) They are comprised of investment funds with notes backed by LTN and NTN.

4 Trade accounts receivable

	Parent		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Current				
Domestic customers (Brazil)	115,615	89,537	117,358	89,537
Foreign customers	15,488	10,803	82,113	103,078
Allowance for doubtful accounts	(1,383)	(1,366)	(5,847)	(6,432)
	<u>129,720</u>	<u>98,974</u>	<u>193,624</u>	<u>186,183</u>
Noncurrent				
Domestic customers (Brazil)	12,478	6,318	13,448	6,318
Foreign customers	7,565	5,240	11,891	7,185
Allowance for doubtful accounts	(561)	(397)	(561)	(397)
	<u>19,482</u>	<u>11,161</u>	<u>24,778</u>	<u>13,106</u>

Trade accounts receivable are recorded at their amortized costs, which approximate their fair values.

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The balance of current trade accounts receivable as at September 30, 2021 and December 31, 2020, parent and consolidated, is distributed as follows:

	Parent		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Falling due	109,446	82,542	160,908	157,272
Past due:				
1 to 30 days	9,121	11,202	14,420	16,466
31 to 60 days	4,228	2,312	5,123	5,197
61 to 90 days	1,450	454	1,583	1,194
91 to 180 days	2,174	320	5,287	2,204
181 to 360 days	1,803	543	3,959	1,723
Over 360 days	2,881	2,967	8,191	8,559
	21,657	17,798	38,563	35,343
Total	131,103	100,340	199,471	192,615
Allowance for doubtful accounts	(1,383)	(1,366)	(5,847)	(6,432)
Total current	129,720	98,974	193,624	186,183

The balance of noncurrent trade accounts receivable as at September 30, 2021, parent and consolidated, is distributed as follows:

	Parent	Consolidated
Falling due:		
2022 (3 months)	4,726	7,625
2023	9,674	11,101
2024	3,794	4,764
2025 onward	1,849	1,849
Allowance for doubtful accounts	(561)	(561)
Total – noncurrent	19,482	24,778

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Changes in allowance for doubtful accounts, parent and consolidated, are as follows:

	Parent	Consolidated
At December 31, 2020	1,763	6,829
Receivables recognized for the period	1,578	1,014
Receivables written off	(1,397)	(1,397)
Foreign exchange difference	-	(38)
At September 30, 2021	1,944	6,408

Allowance for doubtful accounts is estimated and recorded based on the individual analysis of each customer, and for the transactions where there are security interests, the expected loss is calculated based on the net realizable value and the amount of the security interest receivable.

The additions to and release of the provision for impaired receivables have been included in the statement of profit and loss line item "General and administrative expenses".

5 Onlending of FINAME manufacturer financing

	Parent and Consolidated	
	September 30, 2021	December 31, 2020
Current		
FINAME falling due	138,033	122,286
FINAME awaiting release (a)	2,402	614
FINAME past due (b)	13,327	15,526
	153,762	138,426
Allowance for doubtful accounts	(5,780)	(6,932)
	147,982	131,494
Noncurrent		
FINAME falling due	212,016	202,678
FINAME awaiting release (a)	7,988	2,560
	220,004	205,238

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Allowance for doubtful accounts	(2,354)	(2,016)
	<u>217,650</u>	<u>203,222</u>
Total	<u>365,632</u>	<u>334,716</u>

The item "Onlending of FINAME manufacturer financing" refers to sales to customers financed by funds from the Brazilian Development Bank ("BNDES") (Note 14) which are carried at their amortized costs, which approximate their fair values.

FINAME manufacturer refers to financing specifically linked to sales transactions, with terms of up to 60 months with a grace period of up to six months, in accordance with the terms defined by the BNDES at the time of the financing.

The financing terms are also based on customer's characteristics. Funds are released by the BNDES on identification of a customer and sale, as well as checking that a customer has fulfilled the terms of Circular Letter 195 dated July 28, 2006 issued by BNDES, through a financial agent, with the formalization of a financing agreement in the name of the Company and consent of the customer to be financed. The amounts, periods and charges of the transaction are fully reflected in the amounts to be received by the Company from the bank mediating the agreement to which the Company is the debtor. The Company retains title to the financed equipment until the final settlement of the obligation by the customer.

The differences between onlending of FINAME manufacturer financing receivables and payables include:

- (a) FINAME transactions awaiting release: refers to FINAME manufacturer financing transactions that meet the specified terms and have been approved by all parties involved. The preparation of documentation, the issue of the sales invoice, and the delivery of the equipment to the customer have all taken place. The crediting of the related funds to the Company's account by the agent bank is pending at the end of the reporting period, in view of the normal operating terms of the agent.
- (b) FINAME past due: refers to amounts receivable not settled by customers on their due dates. The Company records the provision for possible losses on the realization of these balances, at the amount of the difference between the expected value of the sale of the collateral (machines) recovered through the enactment of covenant regarding reservation of title over the machinery sold (security interest) and the value of the receivables from defaulting customers. In instances in which the security interest cannot be located, a full loss provision is made for the balance of the receivable.

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The machinery repossessed as part of the execution process are recorded at their carrying amount, not exceeding their fair value, under the category of "Other receivables", pending a final and unappealable court decision, after which they are repossessed and transferred to inventories. As at September 30, 2021, the balance of repossessed machinery, included under the line item "Other receivables", parent and consolidated, amounted to R\$594 (R\$1,191 as at December 31, 2020) in current assets and R\$3,928 (R\$2,361 as at December 31, 2020) in noncurrent assets.

As at September 30, 2021 and December 31, 2020, the balances of "Onlending of FINAME manufacturer financing", parent and consolidated, were as follows:

	Parent and Consolidated	
	September 30, 2021	December 31, 2020
Falling due	140,435	122,898
Past due:		
1 to 30 days	1,263	1,173
31 to 60 days	567	559
61 to 90 days	509	236
91 to 180 days	1,196	540
181 to 360 days	948	895
Over 360 days	8,844	12,125
	13,327	15,528
Total - current	153,762	138,426

The expected realization of noncurrent receivables relating to the onlending of FINAME manufacturer financing, parent and consolidated, is as follows:

	Parent and Consolidated
Falling due:	
2022 (3 months)	30,560
2023	103,108
2024	67,451
2025	18,723
2026 onward	162
Total – noncurrent	220,004

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Changes in allowance for doubtful accounts, parent and consolidated, are as follows:

	Parent and Consolidated
At December 31, 2020	8,948
Allowance recognized (or written off) for the period	<u>(814)</u>
At September 30, 2021	<u>8,134</u>

Allowance for doubtful accounts is estimated and recorded based on the individual analysis of each customer, and for the transactions where there are security interests, the expected loss is calculated based on the net realizable value and the amount of the security interest receivable.

The additions to and release of the provision for impaired receivables have been included in the statement of profit and loss line item "General and administrative expenses".

6 Inventories

	Parent		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Finished products	33,969	19,736	82,113	65,253
Used machinery	6,473	10,348	6,472	10,348
Work in progress	117,539	79,005	182,000	97,563
Raw materials and components	244,954	130,540	278,218	158,999
Imports in transit	<u>27,932</u>	<u>26,485</u>	<u>35,539</u>	<u>26,511</u>
Total	<u>430,867</u>	<u>266,114</u>	<u>584,342</u>	<u>358,674</u>

The inventories balances, parent and consolidated, as at September 30, 2021 are net of the provision for slow-moving inventories and inventories posing a remote probability of being realized through sale or use, amounting to R\$22,949 and R\$35,040 (R\$26,508 and R\$39,026 as at December 31, 2020), respectively.

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The changes in the provision to bring inventories to their net realizable value are as follows:

	Parent	Consolidated
At January 1, 2020	26,507	39,026
Inventory sold or written off	(12,407)	(11,854)
Provision recorded	5,954	6,105
Foreign exchange difference		(1,132)
Transfer of provision resulting from machines repossessed during the period	2,895	2,895
At September 30, 2021	22,949	35,040

The changes in the provision for inventory losses by class of inventory are as follows:

	Parent		Consolidated	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Finished products	1,052	884	3,602	8,158
Used machinery	2,641	6,890	2,641	6,890
Work in progress	4,655	4,807	4,655	4,807
Raw materials and components	14,601	13,926	24,142	19,171
Total	22,949	26,507	35,040	39,026

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7 Investments in subsidiaries

Company investments in its subsidiaries are as follows:

	Subsidiary	Country	Main activity
1.	Romi Itália S.r.l. ("Romi Italy")	Italy	Sale of machines for plastics and machine tools, spare parts and technical support.
1.1	Romi Machines UK Ltd.	United Kingdom	
1.2	Romi France SAS	France	
1.3	Romi Máquinas España S.A.	Spain	Production and sale of large tooling machinery with high technology, precision and productivity, as well as machinery for specialized applications. Sale of machine tools produced by B+W and provision of services (spare parts and technical support).
2.	Romi Europa GmbH ("Romi Europe")	Germany	
2.1	Burkhardt + Weber Fertigungssysteme GmbH ("B+W")	Germany	
2.1.1	Burkhardt + Weber / Romi (Shanghai) Co., Ltd	China	
2.1.2	Burkhardt + Weber LLC	United States of America	
3.	Rominor Comércio, Empreendimentos e Participações S.A. ("Rominor")	Brazil	Real estate activity, including purchases and sales, lease of company-owned properties, exploration of real estate rights, intermediation of real estate businesses, and provisions of sureties and guarantees.
4.	Romi Machine Tools, Ltd. ("Romi Machine Tools")	United States of America	Sale of machine tools, spare parts, technical support and cast and machined products in North America.
5.	Rominor Empreendimentos Imobiliários S.A.	Brazil	Interest in real estate ventures.
6.	Romi A.L. S.A. ("Romi A.L.")	Uruguay	Sales representation for operations in the foreign market.
7.	Irsa Maquinas México S. de R. L. de C.V.	Mexico	Sale of machines for plastics and machine tools, spare parts and technical support.
8.	Romi Administração e Gestão de Bens Ltda ("Prodz") (i)	Brazil	Intermediation and representation of services and businesses in general, except real estate

- (i) The establishment of the Company's wholly-owned subsidiary, Romi Administração e Gestão de Bens Ltda., was approved on September 30, 2021, the company is registered with the regulatory bodies, however it is not yet operating.

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	September 30, 2021							
	Romi Italy and subsidiaries (1)	Romi Europe and subsidiaries (2)	Rominor Comércio (3)	Romi Machine Tools (4)	Rominor Empreendimentos (5)	Romi A.L. (6)	IRSA Máq. Mexico (7)	Total
Investments:								
Number of shares held	(a)	(a)	6,191,156	3,000,000	78	13,028,000	1,188,000	
Ownership interest	100.0%	100.0%	93.1%	100.0%	100.0%	100.0%	100.0%	
Current assets	67,618	156,241	22,467	19,063	2,943	12,571	13,935	
Noncurrent assets	14,079	151,678	300	1,427	909	-	4,528	
Current liabilities	60,170	122,772	260	27,473	304	2	22,058	
Noncurrent liabilities	19,810	57,284	-	-	-	-	42	
Equity (equity deficit) of subsidiary	1,717	127,863	22,507	(6,983)	3,548	12,569	(3,637)	
Changes in investment:								
Investment balance as at December 31, 2020	1,549	142,572	21,230	(8,001)	2,517	12,525	(3,128)	169,264
Foreign exchange variations on foreign investments	324	2,875	-	(323)	-	569	(166)	3,279
Dividends proposed and paid (b)	-	-	(3,770)	-	-	-	-	(3,770)
Equity in earnings of subsidiaries	(156)	(17,583)	3,488	1,341	1,031	(525)	(342)	(12,747)
Equivalent value - closing balance	1,717	127,864	20,948	(6,983)	3,548	12,569	(3,637)	156,027
Investment in subsidiaries	1,717	127,864	20,948	-	3,548	12,569	-	166,647
Provision for equity deficit of subsidiaries	-	-	-	(6,983)	-	-	(3,637)	(10,620)

(a) The subsidiaries' capital is not divided into units of interest or shares in their articles of organization.

(b) Payment of dividends by subsidiary ROMINOR, approved by the Board of Directors at the meeting held on February 11, 2021 and July 23, 2021, in the amounts of R\$1,788 and R\$2,263, respectively, related to the second half of 2020 and the first half of 2021, respectively. The Company received from this distribution the amounts of R\$1,664 and R\$2,106, respectively, totaling R\$3,770 as at September 30, 2021.

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	September 30, 2020							
	Romi Italy and subsidiaries (1)	Romi Europe and subsidiaries (2)	Rominor Comércio (3)	Romi Machine Tools (4)	Rominor Empreendimentos (5)	Romi A.L. (6)	IRSA Máq. Mexico (7)	Total
Investments:								
Number of shares held	(a)	(a)	6,191,156	3,000,000	78	13,028,000	1,188,000	
Ownership interest	100.0%	100.0%	93.1%	100.0%	100.0%	100.0%	100.0%	
Current assets	68,531	141,896	21,551	21,703	2,519	12,548	18,195	
Noncurrent assets	10,009	163,308	74	101	-	-	322	
Current liabilities	59,676	101,951	97	27,436	-	2	21,199	
Noncurrent liabilities	17,616	61,856	-	392	-	-	-	
Equity (equity deficit) of subsidiary	1,248	141,397	21,528	(6,024)	2,519	12,546	(2,682)	
Changes in investment:								
Investment balance as at December 31, 2019	3,215	105,124	21,465	(3,176)	2,522	8,389	(1,228)	136,311
Foreign exchange variations on foreign investments	485	44,764	-	(1,014)	-	3,449	(98)	47,586
Dividends proposed and paid (b)	-	-	(3,216)	-	-	-	-	(3,216)
Equity in earnings of subsidiaries	(2,452)	(8,491)	1,787	(1,834)	(3)	708	(1,356)	(11,641)
Capital increase in subsidiary	-	-	-	-	-	-	-	-
Unrealized profit	-	-	-	-	-	-	-	-
Equivalent value - closing balance	1,248	141,397	20,036	(6,024)	2,519	12,546	(2,682)	169,040
Investment in subsidiaries	1,248	141,397	20,036	-	2,519	12,546	-	177,746
Provision for equity deficit of subsidiaries	-	-	-	(6,024)	-	-	(2,682)	(8,706)

(a) The subsidiaries' capital is not divided into units of interest or shares in their articles of organization.

(b) Payment of dividends by subsidiary ROMINOR, approved by the Board of Directors at the meeting held on February 11, 2020 and July 24, 2020, in the amounts of R\$2,041 and R\$1,415, respectively, related to the second half of 2019 and the first half of 2020, respectively. The Company received from this distribution the amounts of R\$1,899 and R\$1,317, respectively, totaling R\$3,216 as at September 30, 2020.

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8 Related party transactions and balances

The balances and transactions with related parties as at September 30, 2021 and December 31, 2020 are as follows:

(i) Balance sheet accounts – Parent

	Receivables		Payables	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Direct subsidiaries				
Romi Europe	7,745	5,057	71	50
Romi Italy	15,770	14,224	-	-
Romi Machine				
Tools	24,867	23,272	584	-
Romi A.L.	-	67	504	380
Irsa Maquinas				
Mexico	19,462	16,501	-	-
Rominor	-	5	-	-
	67,844	59,126	1,159	430
Indirect subsidiaries				
B+W -				
Burkhardt+Weber	1,089	316	866	-
Romi France S.A.S.	8,608	6,465	-	-
Romi Máquinas				
España S.A.	11,397	7,714	-	-
Romi Machines UK	5,054	7,654	105	-
	26,148	22,149	971	-
Total	93,992	81,275	2,130	430
Current	47,942	47,052	2,130	430
Noncurrent	46,050	34,223	-	-
Total	93,992	81,275	2,130	430

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(ii) Transactions

	Sales revenue		Operating expense and finance income (costs)	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Romi Europe	1,777	3,437	149	1,252
Rominor Comércio	5	13	-	-
Romi Italy	4,787	3,705	-	-
Romi Machine Tools	4,408	6,546	582	-
Romi France S.A.S.	2,524	6,056	-	-
Romi A.L.	-	-	177	278
Romi Machines UK	4,930	7,839	103	-
Irsa Maquinas Mexico	1,325	2,893	-	-
B+W - Burkhardt + Weber	19	1,688	-	-
Romi Máquinas España	2,363	1,990	-	-
Total	22,138	34,167	1,011	1,530

The main balances and transactions with the aforementioned related parties refer to trading transactions between the parent and its subsidiaries.

The Company entered into trading transactions with certain subsidiaries for the supply and purchase of equipment, parts and pieces, but it does not have material transactions with related parties other than those described above. Decisions regarding transactions between the parent and its subsidiaries are made by management. Notes fall due in the short term.

The Company provides administrative services, mainly accounting and legal services, to the parent Fênix Empreendimentos S.A.. The revenue until September 2021 was R\$121 (R\$117 as at September 30, 2020).

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The Company makes donations to Romi Foundation at amounts set in the agreement approved by the State Prosecutor's Office. Donations until September 2021 totaled R\$743 (R\$687 as at September 30, 2020).

Management compensation for the periods ended September 30, 2021 and 2020 was as follows:

	September 30, 2021	September 30, 2020
Fees and charges	5,128	4,349
Profit sharing	5,361	2,611
Private pension plan	334	358
Healthcare plan	168	189
Parent	10,991	7,507
Fees and charges of subsidiaries	97	79
Consolidated	11,088	7,586

The amounts shown above comply with the limits established by the Board of Directors and approved at the Annual General Meeting of Shareholders held on March 16, 2021.

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9 Taxes recoverable

The breakdown of taxes recoverable is as follows:

	Note	September 30, 2021	December 31, 2020
Current			
Withholding Income Tax (IRRF)		183	155
Corporate Income Tax (IRPJ)		132	160
IRPJ/CSLL - "Plano Verão"	15 (b)	-	13,332
Social Contribution on Net Income (CSLL)		16	22
Social Security Contribution (INSS)		6	6
ICMS included in the PIS and COFINS tax base	15 (a)	28,933	21,254
Excise Tax (IPI) - R\$		7,680	7,979
Value-added Tax on Sales and Services (ICMS)		21,043	1,333
Social Integration Program (PIS)		3,222	53
Social Contribution on Revenues (COFINS)		11,581	244
Total Parent		72,796	44,538
Taxes recoverable of subsidiaries		11,481	6,666
Total Parent and Consolidated		84,277	51,204
Noncurrent			
ICMS included in the PIS and COFINS tax base	15 (a)	-	26,824
"IRPJ and CSLL credit on SELIC" proceeding	(a)	47,433	-
Value-added Tax on Sales and Services (ICMS)		1,513	1,330
Other		104	102
Total Parent and Consolidated		49,050	28,256

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(a) Tax proceedings (non-levy of IRPJ and CSLL on monetary adjustment and interest from undue payment)”

On March 20, 2019, the Company filed for a writ of mandamus in order to recover taxes that it believes were unduly paid in the last five years, since IRPJ (corporate income tax) and CSLL (social contribution on net income) were not levied on the amounts related to monetary adjustment and late payment interest on the refund of tax credits.

This subject was submitted to the analysis of general repercussion on September 24, 2021 when, judging extraordinary appeal 1.063.187, the Supreme Federal Court (STF), by unanimous decision, ruled on the non-levy of IRPJ and CSLL on the amounts related to monetary adjustment and interest on the refund of tax credits, as transcribed below: “The levy of IRPJ and CSLL on the amounts related to the Selic rate received due to claim for refund of undue payment is unconstitutional”.

Management analyzed such proceeding considering the accounting literature in effect, the two main pronouncements analyzed were: (i) ICPC 22 - Uncertainty over Income Tax Treatments; and (ii) CPC 25 - Provisions, Contingent Liabilities and Contingent Assets. The analyses considered the opinion of Management and of tax experts. After various analyses and discussions, it was concluded that ICPC 22 - Uncertainty over Income Tax Treatments would be the pronouncement most applicable to this specific situation since the matter involves specifically IRPJ and CSLL, that is, income taxes.

Such pronouncement requires that the Company evaluate whether it is “more likely than not” that the tax treatment adopted will be accepted by the tax authorities. Considering that it is a proceeding with effect of general repercussion, applied to all other proceedings that come to be judged, the recent history of STF decisions and the fact that the Company has a proceeding that was filed before the STF decision, Management concluded that it is more likely than not that the Company is entitled to such credit on the date of approval and issue of this financial information and such conclusion is in accordance with the opinion of our legal counselors, reason why this tax credit was recognized for the period ended September 30, 2021.

The effects of the recognition represented the following impacts on the statements of profit and loss: (i) finance income: R\$2.1 million; and (ii) income tax and social contribution on current income: R\$42.9 million.

Lastly, the proceeding has been stayed at the Regional Federal Court of the 3rd Region since March 30, 2021.

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10 Investment property

In 2012, the Company's management decided, based on the perspectives of short and medium-term expansion of operations, to classify certain property as "Investment Property" for future capital appreciation. The amounts classified as investment property are R\$13,500 (R\$13,500 as at December 31, 2020) in the parent and R\$16,621 (R\$18,388 as at December 31, 2020) in the consolidated.

The investment property is stated at historical cost, and for fair value disclosure purposes the Company contracted an independent expert who applied a methodology accepted by the Brazilian Institute of Engineering Appraisals as well as recent transactions with similar property and assessed the fair value less cost to sell of this property at R\$110,661 in the parent and R\$188,606 in the consolidated.

On August 31, 2021, through its subsidiary ROMINOR Empreendimentos Imobiliários S.A., the Company entered into an agreement for purchase and sale of property with third parties, involving the sale of the property "Clube de Campo" (land and buildings) owned by Rominor, with a total area of 229,900m², located in Santa Bárbara d'Oeste, for R\$ 3,200. The proceeds from the sale were classified in the line item of operating income, with an impact of R\$ 1,152 on net operating income (expenses) and 1,057 on profit for the period.

11 Property, plant and equipment

Changes in property, plant and equipment, parent and consolidated, are as follows:

	Parent	Consolidated
At December 31, 2020, net	212,188	314,748
Additions	55,189	56,803
Disposals	(688)	(678)
Depreciation	(18,439)	(31,199)
Foreign exchange difference	-	10,110
At September 30, 2021, net	248,250	349,784
Total cost	638,169	820,160
Accumulated depreciation	(389,919)	(470,376)
Net balance	248,250	349,784

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The carrying amount of the property, plant and equipment under finance leases at September 30, 2021 amounted to R\$ 7,758. The Company has discounted these assets to their present value. During the period ended September 30, 2021, the Company recognized the amount of R\$2,577 as depreciation expense in profit or loss.

Due to the financing agreements with the BNDES, the Company pledged as collateral property, plant and equipment items amounting to R\$111,799 as at September 30, 2021 (R\$67,736 as at December 31, 2020). These items refer to land, buildings, facilities, machinery and equipment.

Of the investments made until September 30, 2021, R\$28,813 million refer to machines manufactured by the Company that were allocated to the machinery rental business, a new solution launched in the third quarter of 2020.

Management prepared the discounted cash flow projections for each of the group's business segments and concluded that there is no need to recognize a provision for impairment of property, plant and equipment and intangible assets as at December 31, 2020. For September 30, 2021, the Company made a follow-up and did not consider necessary to perform a new test for the quarter.

12 Intangible assets

Changes in intangible assets, parent and consolidated, are as follows:

	Parent	Consolidated
At December 31, 2020, net	1,096	70,788
Additions	570	570
Disposals	(11)	(11)
Amortization	(613)	(1,336)
Foreign exchange difference	-	(4,701)
At September 30, 2021, net	1,042	65,310
Total cost	7,411	107,033
Accumulated amortization	(6,369)	(41,723)
Net balance	1,042	65,310

Management prepared the discounted cash flow projections for each of the group's business segments and concluded that there is no need to recognize a provision for impairment of property,

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plant and equipment and intangible assets as at December 31, 2020. For September 30, 2021, the Company made a follow-up and did not consider necessary to perform a new test in the quarter.

13 Borrowings

Changes in borrowings, parent and consolidated, are as follows:

			Parent	Consolidated
	Domestic currency	Foreign currency	Total	Total
Borrowing balance at				
December 31, 2020	128,728	48,681	177,409	212,090
New borrowing	-	76,702	76,702	79,637
Payment of principal	(62,433)	(40,762)	(103,195)	(108,253)
Payment of interest	(7,011)	(1,327)	(8,338)	(8,338)
Exchange and monetary difference (principal and interest)	-	(1,964)	(1,964)	(766)
Interest at the end of the period	6,148	1,252	7,400	7,400
Borrowing balance at September 30, 2021	65,432	82,582	148,014	181,770
Current	7,683	24,768	32,451	34,170
Noncurrent	57,749	57,814	115,563	147,600
	65,432	82,583	148,014	181,770

The maturities of financing recorded in noncurrent liabilities as at September 30, 2021, parent and consolidated, were as follows:

	Parent	Consolidated
2022	1,495	8,446

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2023	11,783	29,107
2024	102,285	104,028
2025 onward	-	6,019
Total	115,563	147,600

14 FINAME manufacturer financing

	Parent and Consolidated	
	September 30, 2021	December 31, 2020
Current		
FINAME manufacturer financing	138,253	122,704
Noncurrent		
FINAME manufacturer financing	211,616	201,710
Total	349,869	324,414

The agreements related to FINAME manufacturing financing are guaranteed by promissory notes and sureties, and the main guarantor is the subsidiary Rominor. Balances are directly related to the balances of "Onlending of FINAME manufacturer financing" (Note 5), considering that the loans are directly linked to sales to specific customers. The contractual terms related to the amounts, charges and periods financed under the program are on-lent in full to the financed customers and amounts received on a monthly basis under the line item "Amounts receivable - onlending of FINAME manufacturer financing" are fully used for the repayment of the related financing agreements. The Company, therefore, acts as an agent for the financing, but remains as the main debtor in this transaction.

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The balances of the line item “FINAME manufacturer financing” and, consequently, of the line item “Onlending of FINAME manufacturer financing” as at September 30, 2021 and December 31, 2020 were monetarily adjusted through the end of the reporting period. The difference of R\$15,763 between these line items as at September 30, 2021 (R\$10,302 as at December 31, 2020) refers to past-due trade notes, renegotiations in progress, and FINAME transactions not yet released by the agent bank. Management understands that there are no risks to the realization of these receivables, other than the amount of the allowance for doubtful accounts already recorded, since the amounts are collateralized by the financed machinery.

The noncurrent maturities of the FINAME manufacturer financing as at September 30, 2021, parent and consolidated, were as follows:

	Parent and Consolidated
2022	30,090
2023	99,949
2024	64,401
2025 onward	17,176
Total	211,616

15 Provision for tax, labor and civil risks

The Company’s management, based on the opinion of legal counsel, classified the legal proceedings in accordance with the likelihood of loss, as follows:

	September 30, 2021	December 31, 2020
Civil	790	581
Labor	1,296	932
Total	2,086	1,512
Current liabilities	1,525	1,216
Noncurrent liabilities	561	296
Total	2,086	1,512

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For legal proceedings classified as probable losses, changes in the provision for the period ended September 30, 2021 are as follows:

	December 31, 2020	Additions	Utilizations/ reversals	Monetary adjustment and foreign exchange difference	September 30, 2021
Civil	581	160	(6)	55	790
Labor	932	844	(863)	383	1,296
Total Parent and Consolidated	1,512	1,004	(869)	438	2,086

As at September 30, 2021, the main legal proceedings classified by Management, based on the opinion of its legal counselors, as probable losses or as legal obligation are as follows:

(a) Tax proceedings

Refer to the provisions for:

- (i) Excess of IRPJ and CSLL on interest on capital: Refers to the deductibility of interest on capital, based on profits from previous years, which were not distributed at the time they were calculated. According to the analysis of our legal counselors, decisions on the judicial level are mostly favorable to taxpayers.

As at September 30, 2021, there were no legal proceedings with risks of losses classified as probable.

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at September 30, 2021

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(b) Tax proceedings (Plano Verão)

On February 22, 2017, the Company obtained a favorable outcome in the proceeding in which the Company was the plaintiff and the Federal Government was the defendant, which claimed for the right to monetarily adjust the balance sheet for the calendar year 1989 by reference to the inflation for January and February of that year and to dismiss the inflation indexes of the legislation then in force (Plano Verão). After the final and unappealable decision, the Company measured the amounts arising from the proceeding, and on February 17, 2020, it filed a request with the Federal Revenue Office for authorization related to the inflation purge on the assets for the purpose of determining the complementary balance of the depreciation and their effects on the calculation of income tax and social contribution over the years. On March 16, 2020, the Federal Revenue Office approved the request regarding this credit, authorizing the Company to utilize it to offset future federal taxes. The Company recognized in the interim financial information for 1Q20 the effects from the favorable outcome on the tax proceeding “Plano Verão”, which impacted the profit or loss for 1Q20 as follows: (i) EBIT/ EBITDA: reduced by R\$955, due to the recognition of attorney’s fees, in line item “Other operating income (expenses), net”; (ii) finance income (costs): increased by R\$25,135, due to the monetary adjustment of the original amount of the credits; (iii) income tax and social contribution: increased by R\$10,794, regarding the original amount of the credits; and (iv) profit for the period: increased by the impact from the net gain of R\$34,974, already including the effects of income tax and social contribution on the gain, which was reduced by the use of the interest on capital, proposed in March 2020, as per the Shareholder Notice dated March 17, 2020.

(c) Civil proceedings

These refer to civil proceedings in which the Company is the defendant related mainly to the following claims: (i) revision/termination of contracts; (ii) damages; and (iii) annulment of protest of notes with losses and damages, among others.

(d) Labor claims

The Company has recorded a provision for contingencies for labor claims in which it is the defendant, the main causes are as follows: (i) additional overtime due to reduction of lunch break; (ii) health hazard premium/hazardous duty premium; (iii) stability prior to retirement; (iv) damages for work-related accident/disease; and (v) jointly liability over outsourced companies, among others.

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(e) Judicial deposits

The Company has judicial deposits amounting to R\$ 12,092 as at September 30, 2021 (2020 – R\$ 1,884) of different nature and classified in noncurrent assets, referring to possible or remote lawsuits.

The tax, civil and labor proceedings assessed as representing possible losses involve matters similar to those above. The Company's management believes that the outcomes of ongoing legal proceedings shall not result in disbursements higher than those recognized in the provision. The amounts involved do not qualify as legal obligations.

On August 31, 2021, the Company deposited in court the amount of R\$ 10,072 related to the proceeding regarding ICMS in the calculation base of PIS and COFINS; although a final and unappealable decision was rendered on February 21, 2019, only on September 2, 2020 the Brazilian Federal Revenue Office decided to verify whether the tax credits stated in the DCFT (Declaration of Federal Tax Debts and Credits) referred to PIS and COFINS levied on ICMS included in the respective calculation bases. A tax notice was issued, requiring the presentation of various accounting documents.

After analysis, the Federal Revenue Office understood that the Company would have considered, in the calculation of PIS and Cofins levied on ICMS stated in the shipping invoices, operations of sale of goods and services that supposedly would not have been included in the calculation bases of such contributions. The Federal Revenue concluded that part of the PIS and Cofins tax credits stated in the DCTF related to the writ of mandamus would not correspond to the amount of ICMS stated in the invoices and thus a collection letter was issued, requiring the payment of these amounts.

After a detailed analysis of such collection, the Company understood that the Federal Revenue made several mistakes in its calculation of PIS and COFINS; thus, for legal reasons it was necessary to make a deposit in court to contest such undue collection.

As at September 30, in an analysis made by our legal counselors, this proceeding was classified as possible loss.

16 Income tax and social contribution

Income tax is calculated at the rate of 15% on the taxable profits plus a 10% surtax on taxable profit exceeding R\$240, and social contribution is calculated at the rate of 9% on taxable profits, except for subsidiaries Rominor Comércio and Rominor Empreendimentos, which pay income tax and social contribution based on the deemed taxable income method.

The reconciliation of the tax effect on the Company's profit before income tax and social contribution through application of the prevailing tax rates as at September 30, 2021 and 2020 is as follows:

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	Parent		Consolidated	
	2021	2020	2021	2020
Profit before income tax and social contribution	146,959	76,536	141,463	74,781
Statutory rate (income tax and social contribution)	34%	34%	34%	34%
Income tax and social contribution expense at statutory rates	(49,966)	(26,022)	(48,097)	(25,426)
Interest on capital	9,973	29,920	9,973	29,920
IR/CSLL Tax proceeding ("Plano Verão")	-	10,794	-	10,794
Selic proceeding (a)	42,924	-	42,924	-
Research and development ("Lei do Bem" - Law 11,196/05)	2,999	1,622	2,999	1,622
Equity in earnings of subsidiaries	(4,334)	(3,958)	-	-
Unrecorded deferred income tax and social contribution in subsidiaries	-	-	348	(2,979)
Management profit sharing	(1,823)	(888)	(1,823)	(888)
Other additions (deductions), net	2,420	156	1,625	469
Current and deferred income tax and social contribution income (expense)	2,193	11,624	7,950	13,512

(a) See information on "IR/CSLL credit tax proceedings" in note 9.

The amount in the consolidated financial information refers basically to the difference in the calculation of income tax and social contribution between actual income method <lucro real> and deemed taxable income method <lucro presumido>, due to the fact that subsidiaries Rominor Comércio and Rominor Empreendimentos opted to calculate tax based on deemed taxable income method in the years presented, and for non-recognition of deferred income taxes on the tax losses of foreign subsidiaries, except for BW.

The breakdown of income tax and social contribution income (expense) is as follows:

	Parent		Consolidated	
	2021	2020	2021	2020
Current	10,321	8,090	9,601	8,836
Deferred	(8,127)	3,534	(1,651)	4,676
Total	2,194	11,624	7,950	13,512

Changes in deferred tax assets and liabilities, parent and consolidated, for the period ended September 30, 2021 were as follows:

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	Assets		Liabilities	
	Parent	Consolidated	Parent	Consolidated
At December 31, 2020	23,552	23,934	-	43,372
Changes in the period				
Additions	6,524	8,384	-	-
Realization	(14,651)	(14,651)	-	(4,616)
Foreign exchange difference	-	3,411	-	2,734
At September 30, 2021	15,425	21,078	-	41,490

17 Equity

Capital

As at September 30, 2021, the Company's subscribed and paid-up capital amounting to R\$637,756 (R\$637,756 as at December 31, 2020) is represented by 73,333,922 (73,333,922 in 2020) book-entry, registered common shares, without par value.

Earnings reserve

a) Legal reserve

As required by Article 193 of Law 6404/76, the balance of the line item "Legal reserve" is equivalent to 5% of the profit for the year, limited to 20% of the share capital.

b) Dividends

Until the period ended September 30, 2021, distributions of interest on capital of R\$29,334 and interim dividends ("Dividends") of R\$ 16,868 were approved, according to the notice to the market on the dates below:

1. On March 16, 2021, the distribution of interest on capital to be attributed to the mandatory dividends for 2021 in the gross amount of R\$11,000, at 0.15 per share, was approved, for payment on April 28, 2021.
2. On June 8, 2021, the distribution of interest on capital to be attributed to the mandatory dividends for 2021 in the gross amount of R\$8,800, at 0.12 per share, was approved, for payment on July 20, 2021.
3. On September 14, 2021, the distribution of interim dividends ("Dividends") in the gross amount of R\$16,868, at 0.23 per share, was approved, for payment on October 28, 2021.

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4. On September 14, 2021, the distribution of interest on capital to be attributed to the mandatory dividends for 2021 in the gross amount of R\$9,534, at 0.13 per share, was approved, for payment by the end of the fiscal year 2022, with date to be set by the Company's Executive Board.

The total amount paid by the Company in the period ended September 30, 2021, net of withholding income tax, was R\$111,827.

Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of outstanding common shares in the period, excluding common shares purchased by the parent and held as treasury shares.

	Note	September 30, 2021	September 30, 2020
Profit (loss) for the period attributable to the controlling interests		149,153	88,160
Weighted average number of shares outstanding		73,334	62,858
Basic and diluted earnings per share		2.03	1.40
Other non-recurring operating results	15	-	(34,974)
	9	(45,062)	-
Profit (loss) for the period attributable to the controlling interests		104,091	53,186
Basic and diluted earnings (loss) per share - adjusted		1.42	0.85

Basic and diluted earnings per share are the same, since the Company does not have any instruments diluting the earnings per share.

18 Segment reporting - consolidated

To manage its business, the Company is organized into three business units on which the Company reports its primary information by segment, namely: Romi Machinery, Burkhardt+Weber Machinery

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and Cast and Machined Products. The information for the period ended September 30, 2021 was prepared and is being presented on a comparative basis with the period ended September 30, 2020, according to the Company's segments:

	September 30, 2021				
	Romi Machinery	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	519,618	126,239	294,808	-	940,665
Cost of sales and services	(251,419)	(111,967)	(272,359)	-	(635,745)
Transfers remitted	954	-	49,024	(49,978)	-
Transfers received	(49,024)	-	(954)	49,978	-
Gross profit	220,129	14,272	70,519	-	304,920
Operating (expenses) income:					
Selling expenses	(57,749)	(12,962)	(6,548)	-	(77,259)
General and administrative expenses	(25,189)	(24,076)	(13,632)	-	(62,897)
Research and development	(14,567)	-	(5,601)	-	(20,168)
Management fees	(5,488)	-	(5,600)	-	(11,088)
Other income (expenses), net	2,173	1,861	-	-	4,034
Operating profit (loss) before finance income (costs)	119,309	(20,905)	39,138	-	137,542
Inventories	403,023	95,654	85,665	-	584,342
Depreciation and amortization	14,033	9,707	8,795	-	32,535
Property, plant and equipment, net	148,389	78,137	123,258	-	349,784
Intangible assets	1,034	64,268	8	-	65,310

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	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	165,958	723,254	26,772	24,680	940,663
					September 30, 2020
	Romi Machinery	Burkhardt + Weber Machinery	Cast and machined products	Eliminations between segments	Consolidated
Net operating revenue	285,577	153,460	173,470	-	612,507
Cost of sales and services	(144,724)	(128,777)	(156,394)	-	(429,895)
Transfers remitted	960	-	16,842	(17,802)	
Transfers received	(16,842)	-	(960)	17,802	
Gross profit	124,971	24,683	32,958	-	182,612
Operating (expenses) income:					
Selling expenses	(47,506)	(10,469)	(3,225)	-	(61,200)
General and administrative expenses	(20,798)	(21,367)	(10,903)	-	(53,068)
Research and development	(12,581)	-	(3,900)	-	(16,481)
Management fees	(3,703)	-	(3,883)	-	(7,586)
Other operating income (expenses), net	1,584	-	-	-	1,584
Operating profit (loss) before finance income (costs)	41,967	(7,153)	11,047	-	45,861
Inventories	276,744	83,845	44,925	-	405,514
Depreciation and amortization	9,587	8,278	8,873	-	26,738
Property, plant and equipment, net	103,204	89,778	117,930	-	310,912
Intangible assets	1,078	73,865	13	-	74,956
	Europe	Latin America	North America	Africa and Asia	Total
Net operating revenue per geographical region	158,997	389,771	16,290	47,449	612,506

Indústrias Romi S.A.

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19 Future commitments

On April 10, 2017, the Company and Centrais Elétricas Cachoeira Dourada S.A. - CDSA, belonging to Endesa, decided to amend the agreement for the supply of electric energy entered into on May 1, 2007, which intended to contract a volume of electric energy according to the Company's needs. On May 30, 2019, the Company entered into an electric energy purchase agreement with Engie Brasil Energia Comercializadora LTDA - Engie, for the periods following the ongoing agreement with CDSA. As a result, the supply of electric energy has been extended for further three years, up to December 31, 2023, and has reflected the following commitments that will be adjusted annually by the General Market Price Index (IGP-M).

Year of supply	Amount
2021	18,513
2022	17,979
2023	18,293
	<hr/>
	54,785

The Company's management believes that this agreement is compatible with the electricity requirements for the contracted period.

* * *

3Q21 *Earnings Release*

October 26, 2021



September 30, 2021

Share price at 10/25/2021
ROMI3 - R\$19.25 per share

Market value
R\$1,411 million
US\$253.9 million

Number of shares
Common: 73,333,922
Total: 73,333,922

Free float = 50.8%

**Earnings Conference Call broadcast over the web in Portuguese, with
simultaneous translation into English**

October 27, 2021

11a.m. (São Paulo) | 2 p.m. (London) | 9 a.m. (New York)

https://us02web.zoom.us/webinar/register/WN_t-QUbnH0TruQpfGnuZ8VDg
ID Zoom: 853 1635 2862

Dial-in number: +55 (11) 4680-6788
Dial-in numbers at <https://us02web.zoom.us/j/kszWE5ZfN>

Santa Bárbara d'Oeste - São Paulo, September 30, 2021

Indústrias Romi S.A. ("Romi" or "Company") (B3: ROMI3), domestic market leader in the Machine Tools and Plastic Processing Machines markets, as well as an important producer of Rough and Machined Cast Iron Parts, announces its results for the third quarter of 2021 ("3Q21"). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with the International Financial Reporting Standards (IFRS).

Statements contained in this release related to Romi's business outlook, projections of operating and financial results and references to the Company's growth potential are mere forecasts and have been based on Management's expectations regarding its future performance. These expectations are highly dependent upon market behavior, the economic situation in Brazil, the industry and international markets. Therefore, they are subject to changes.

Investor Relations Contact

Fábio B. Taiair

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Highlights

EBITDA in 3Q21 was R\$66.8M (+66.7% over 3Q20);

Incoming orders of R\$415.9M in 3Q21 (+32.7% over 3Q20);

Order backlog reaches R\$730.6M at the end of 3Q21 (+54.8% over 3Q20)

- Consolidated net operating revenue for 3Q21 reached R\$366.6 million, an increase of 46.3% compared to 3Q20. With the increase in revenue and the effective control over costs and expenses, EBITDA in 3Q21 posted a growth of 66.7% compared to 3Q20;

- At the Romi Machines Unit, net operating revenue increased by 53.5% in 3Q21 compared to 3Q20, due to the resumption of orders in the domestic and foreign markets. The increase in revenue, coupled with an effective control over operating expenses, resulted in an increase of 61.2% in operating profit compared to 3Q20;

- At the Rough and Machined Cast Iron Parts Unit, net operating revenue increased by 51.6% in 3Q21 compared to 3Q20, with the continuity of deliveries of large parts and the recovery of the other segments. Operating margin grew by 4.4 p.p., reflecting the higher production volume and improved operational efficiency;

- Incoming orders at the Romi Machines Unit increased by 16.2% in 3Q21 compared to 3Q20, reflecting the highly favorable environment for investments, the technology in our products and the new business alternatives, such as the machine rental business;

- In 3Q21, incoming orders at the Rough and Machined Cast Iron Parts Unit increased by 50.4% compared to 3Q20, reflecting the continuity of orders for large parts placed by customers from the energy industry and the recovery of all the other industrial segments;

In 2021, incoming orders at the Burkhardt+Weber Unit reached R\$110.1 million, an increase of 320.5% compared to 2020, reflecting the gradual resumption of projects that had been suspended due to the COVID-19 pandemic;

- At the end of 3Q21, the Company's order backlog reached R\$ 730.6 million, an increase of 54.8% in comparison to 3Q20.

	Quarterly					Acumulated		
R\$'000	2Q20	2Q21	3Q21	Var.	Var.	9M20	9M21	Var.
				3Q21/2Q21	3Q21/3Q20			2021/2020
Revenues Volume								
Romi Machines (units)	230	332	312	-6%	36%	531	863	62,5%
Burkhardt+Weber (units)	2	5	6	20%	200%	10	11	10,0%
Rough and Machined Cast Iron Parts (tons)	7.056	7.329	7.819	7%	11%	15.415	20.956	35,9%
Net Operating Revenue	250.554	351.459	366.577	4,3%	46,3%	612.507	940.665	53,6%
Gross margin (%)	31,6%	32,7%	31,3%			29,8%	32,4%	
Operating Income (EBIT)	30.847	56.045	56.122	0,1%	81,9%	45.861	137.542	199,9%
Operating margin (%)	12,3%	15,9%	15,3%			7,5%	14,6%	
Operating Income (EBIT) - adjusted (*)	30.847	56.045	56.122	0,1%	81,9%	46.816	137.542	193,8%
Operating margin (%) - adjusted (*)	12,3%	15,9%	15,3%			7,6%	14,6%	
Net Income	36.117	42.819	85.850	100,5%	137,7%	88.293	149.413	69,2%
Net margin (%)	14,4%	12,2%	23,4%			14,4%	15,9%	
Net Income - adjusted (*)	36.117	42.819	40.789	100,5%	137,7%	53.319	104.352	95,7%
Net margin (%) - adjusted (*)	14,4%	12,2%	11,1%			8,7%	11,1%	
EBITDA	40.078	66.486	66.826	0,5%	66,7%	72.570	168.741	132,5%
EBITDA margin (%)	16,0%	18,9%	18,2%			11,8%	17,9%	
EBITDA - adjusted (*)	40.078	66.486	66.826	0,5%	66,7%	73.525	168.741	129,5%
EBITDA margin (%) - adjusted (*)	16,0%	18,9%	18,2%			12,0%	17,9%	
Investments (**)	18.540	19.408	25.696	32,4%	38,6%	28.207	63.414	124,8%

EBITDA = Earnings before interest, taxes, depreciation and amortization.

(*) 9M20: The Company recognized in the financial statements for 1Q20 the effects of the favorable final decision on the tax proceeding (Plano Verão), which impacted the quarterly results as follows: (i) EBIT/EBITDA: decreased by R\$1.0 million, due to the recognition of expenses with legal fees, under "Other operating income (expenses), net"; (ii) financial result: increased by R\$25.1 million as a result of the monetary restatement of the original amount of the tax credits; (iii) income tax and social contribution: increased by R\$10.8 million, due to the original amount of the credits; and (iv) profit for the period: increased by the impact of the net gain of R\$35.0 million, already considering the effects of income tax and social contribution on the gain, which were reduced by the use of the interest on capital proposed in April 2020, as per the Shareholders Notice dated March 17, 2020.

9M21. On March 20, 2019, the Company filed for a writ of mandamus in order to recover taxes that it believes were unduly paid in the last five years, since IRPJ (corporate income tax) and CSLL (social contribution on net income) were not levied on the amounts related to monetary adjustment and late payment interest on the refund of tax credits. This subject was submitted to the analysis of general repercussion on September 24, 2021 when, judging extraordinary appeal 1.063.187, the Supreme Federal Court (STF), by unanimous decision, ruled on the non-levy of IRPJ and CSLL on the amounts related to monetary adjustment and interest on the refund of tax credits, as transcribed below: "The levy of IRPJ and CSLL on the amounts related to the Selic rate received due to claim for refund of undue payment is unconstitutional". The effects of the acknowledgment represented the following impacts on the statements of income: (i) finance income: R\$2.1 million; and (ii) income tax and social contribution on income: R\$42.9 million."

(**) Of the investments made in 2Q21, 3Q21 and 9M21, the value R\$11.9 million, R\$9.4 million and R\$28.8 million respectively, refer to machines manufactured by the Company that were allocated to the machinery rental business, a new solution launched in 3Q20.

Corporate Profile



Romi, founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of rough and machined cast iron parts.

The Company is listed on B3's "New Market", which is reserved for companies with a higher level of corporate governance. Romi manufactures machine tools (Conventional Lathes, Computerized Numerical Control (CNC) Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills), Plastic Injection or Blow Molding Machines and ductile or CDI gray cast iron parts, either in raw or machined form. The Company's cutting-edge products and services, which feature Industry 4.0 technologies, enable the smart use of the data generated, whether through built-in artificial intelligence or through the transfer of big data over the networks (connectivity) to a central analysis site. The Company's equipment is sold all globally and used by a number of industrial segments, such as the agricultural machinery, capital goods, consumer goods, packaging, tooling, hydraulic equipment, sanitation, automotive and wind power industries, among many others.

The Company has thirteen manufacturing units, four of which for final assembly of industrial machinery, two foundries, four units for machining of mechanical components, two units for manufacture of steel sheet components, and a unit for assembly of electronic panels. Of these, eleven are located in Brazil and two in Germany. The Company has an installed production capacity of approximately 2,900 industrial machines and 50,000 thousand metric tons of castings per year.

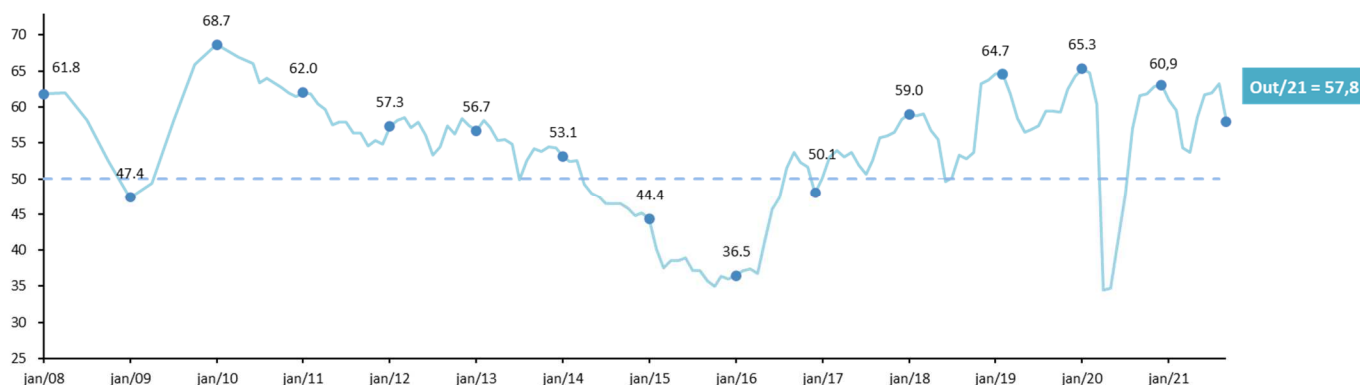
Current Economic Scenario

2021 continues to show a favorable environment for investments, as started in mid-2020. This important recovery in turnover can be seen mainly in the incoming orders for Romi machines. Although the current level of real interest rates and the prospects indicate its increase, the current exchange rate level encourages the national industry and the country, in general, to allocate a greater portion of production to Brazil, as well as to seek greater productivity and preservation of competitiveness. In view of the more concrete signs of this resumption that took place in 2020, the Company prepared itself, especially in relation to orders for raw materials and components along the supply chain, which have allowed us to serve customers in an appropriate and competitive period. Romi is prepared to continue to support its customers by providing high-technology products, within deadlines suitable to the market's needs.

In the foreign market, we have also noted a gradual resumption of machine orders, for machines produced by both Romi and by BW, and the latter completed major orders in 4Q20 and in the first nine months of 2021, as may be seen in the incoming orders reported for these quarters. These orders reflect the growing volume of opportunities, particularly in Asia, although Europe is already showing stronger signs of recovery.

The Industrial Entrepreneur Confidence Index (ICEI) also shows a strong recovery of confidence throughout the first half of 2021, and in recent months this index remained stable at a level considered highly favorable for new investments.

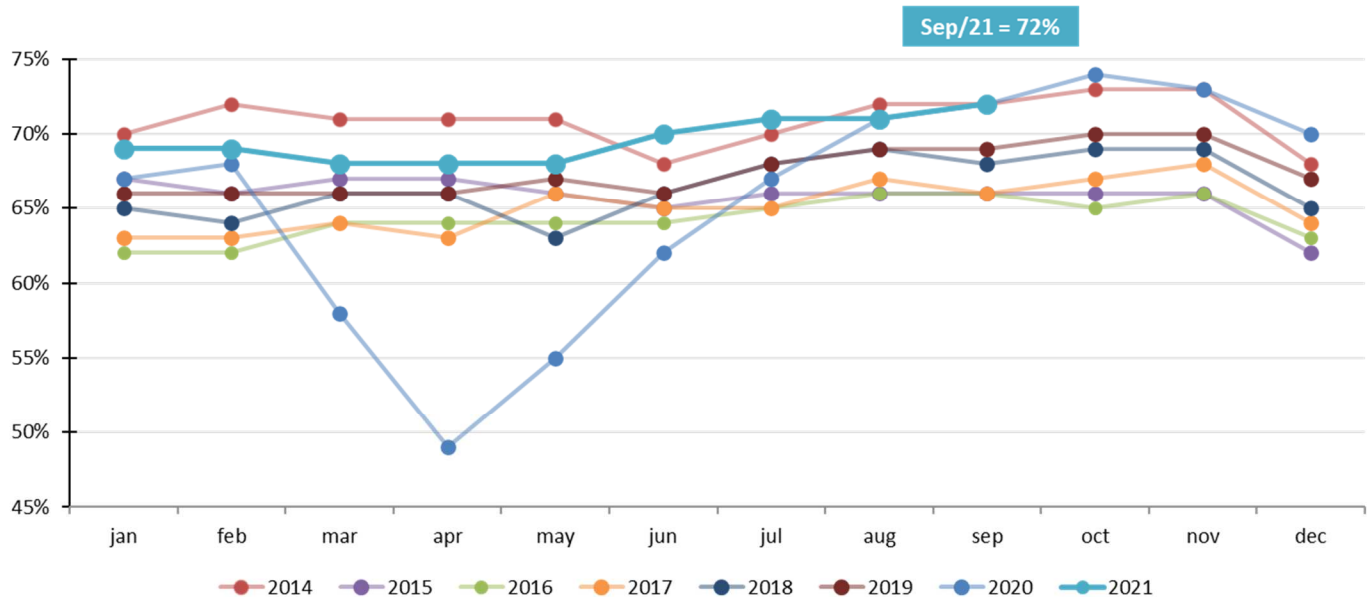
Industrial Entrepreneur Confidence Index - ICEI



Source: CNI - ICEI, October 2021.

Having suffered the impact of the pandemic, the Installed Capacity Utilization (UCI) index of the domestic industry in general, released by the National Confederation of Industries (CNI), returned to its normal levels in August 2020. With the increase in COVID cases at the beginning of 2021, this index has shown greater volatility, however, it remains at levels favorable to investments.

Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, september 2021.

The past few years have been marked by an environment of uncertainty and high volatility, with major challenges in relation to production volume forecasts, for example. Accordingly, we continue to implement actions to streamline the structure and the planning and manufacturing process, to respond quickly to the demand volatility. Over the past few years we have made several optimizations, especially in indirect structures and internal processes automation. We also reinforced the focus on cost and expense reduction projects, in addition to investing in automation and productivity, focusing on the increase of profitability, which can be noted since 2017. Strategically, we have defined the development of new product generations as a priority, and have advanced significantly in terms of technological content, aligned to the needs of Industry 4.0, and the first lines launched in 2018 and 2019 are already a success both in the domestic and foreign markets. This gives us great confidence that we are well prepared to keep seizing the opportunities arising from the rebound in the domestic and foreign economies.

Market

The Company's main leading edges in the market - namely, our ongoing investments in the development of cutting-edge products and solutions, our nationwide distribution network, our own permanent technical assistance service, the availability of attractive customer credit packages in local currency, and our short product delivery times - are all recognized by our customers, giving the ROMI® brand name a traditional and prestigious reputation.

Incoming Orders

Order Entry (R\$ 000)	3Q20	2Q21	3Q21	Chg. 3Q21/2Q21	Chg. 3Q21/3Q20	9M20	9M21	Chg. 21/20
Gross Values, sales taxes included								
Romi Machines	223,189	219,063	259,321	18.4%	16.2%	420,137	697,627	66.0%
Burkhardt+Weber Machines	6,012	26,728	29,896	11.9%	397.3%	26,194	110,141	320.5%
Rough and Machined Cast Iron Parts	84,236	119,460	126,711	6.1%	50.4%	236,946	381,622	61.1%
Total *	313,436	365,250	415,928	13.9%	32.7%	683,278	1,189,391	74.1%

*The informed amounts related to incoming orders and order backlog do not include parts and services.

Although the environment still presents uncertainties, mainly related to the pandemic, the recovery of industrial activities started in mid-2020 continues in 2021. The confidence of the industrial entrepreneur has been showing favorable levels, as well as the foreign exchange devaluation continues to boost the incoming orders volume at the Romi Machines Unit observed in 3Q21, which increased by 32.7% compared to 3Q20. In addition to the new generations of products previously commented on, with important technological advances in the mechatronics, thermal compensation and connectivity areas, the Company has been seeking alternatives to offer new business to its customers, such as machine rental, for example. These initiatives have been yielding good results. In 2021, 115 machines were leased, whose contracts represent R\$28 million. In 2020, since June, the month in which this new solution was launched, 222 machines were leased, with contracts representing R\$51.6 million. These contracts are effective from 12 to 24 months.

The German subsidiary BW, in 3Q21, obtained new orders totaling R\$29.8 million, demonstrating the economic recovery of Asia and of projects in Europe. Accumulated in 2021, the incoming orders totaled R\$110.1 million, an increase of 320.5% compared to 2021.

In 3Q21, the Rough and Machined Cast Iron Parts Unit posted a 50.4% increase in incoming orders when compared to 3Q20, demonstrating not only the continuity of the business of production of large castings for the energy industry, but also a recovery of the other segments served by this business unit.

Order Backlog

Order Backlog (R\$ 000) Gross Values, sales taxes included	3Q20	2Q21	3Q21	Chg. 3Q21/2Q21	Chg. 3Q21/3Q20
Romi Machines	255,346	340,565	400,366	17.6%	56.8%
Burkhardt+Weber Machines	89,526	146,063	144,727	-0.9%	61.7%
Rough and Machined Cast Iron Parts	127,262	188,265	185,538	-1.4%	45.8%
Total *	472,134	674,893	730,631	8.3%	54.8%

*The informed amounts related to incoming orders and order backlog do not include parts and services.

At the end of the third quarter of 2021, the order backlog grew by 54.8% compared to the same period in 2020. This growth is related to the higher volume of business experienced by Romi Machines in the domestic market, where we noticed an important resumption of investments as from June 2020, and the orders fulfilled by the German subsidiary BW in 2021. At the Rough and Machined Cast Iron Parts Unit, the agricultural, commercial vehicle and construction markets have been recently showing signs of recovery. In addition, the heavy parts market continues quite heated, as can be seen in the growth in volume of new orders at this unit.

Operational Performance

Net Operating Revenue by Business Unit

Net operating revenue posted by the Company in 3Q21 reached R\$366.6 million, 4.3% and 46.3% higher than in 2Q21 and 3Q20, respectively, with emphasis to the Romi Machines and Rough and Machined Cast Iron Parts Units.

Net Operating Revenue (R\$ 000)	Quarterly					Accumulated		
	3Q20	2Q21	3Q21	Var. 3Q21/2Q21	Var. 3Q21/3Q20	9M20	9M21	Chg. 21/20
Romi Machines	126,823	193,015	194,669	0.9%	53.5%	285,576	519,618	82.0%
Burkhardt+Weber Machines	46,672	57,659	55,064	-4.5%	18.0%	153,461	126,239	-17.7%
Rough and Machined Cast Iron Parts	77,059	100,785	116,844	15.9%	51.6%	173,470	294,809	69.9%
Total	250,554	351,459	366,577	4.3%	46.3%	612,507	940,666	53.6%

Romi Machines

The net operating revenue of the Romi Machines Unit reached R\$194.7 million in 3Q21, an increase of 53.5% compared to 3Q20, reflecting the resumption of orders from June 2020 and the resumption of orders in the foreign market in 2021.

Burkhardt + Weber Machines

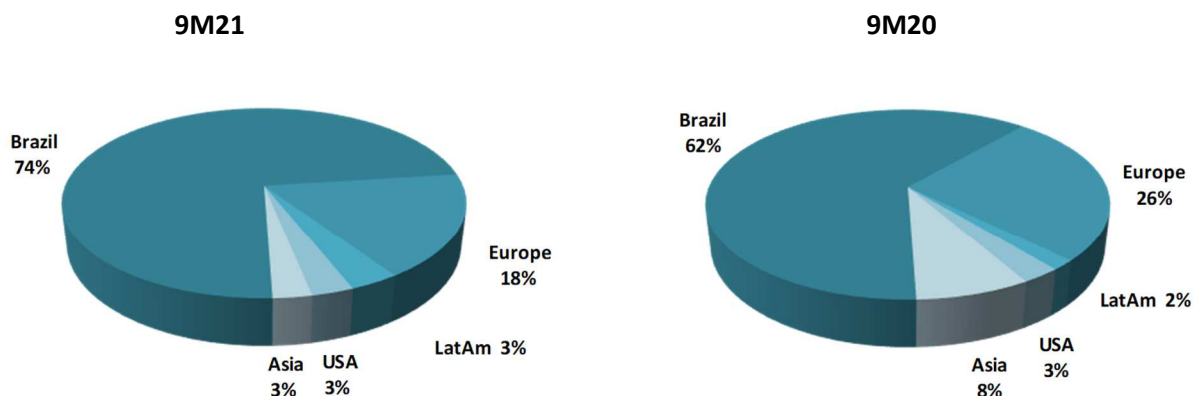
The revenue of the German subsidiary BW in Reais, in 3Q21, was 18.0% higher than in 3Q20, reflecting the impacts of the pandemic, which led to a reduction in the volume of orders in the first nine months of 2020 and, consequently, negatively impacted the revenue of 2021. It is worth noting that the volume of new orders from the fourth quarter of 2020 showed significant growth, as it can be seen in the income orders table of this report.

Rough and Machined Cast Iron Parts

The net operating revenue of this Business Unit totaled R\$116.8 million in 3Q21, up 51.6% over 3Q20, due to the continuity of business related to large rough and machined cast iron parts for the energy sector and the recovery of the other segments served by this unit.

Net Operating Revenue per Geographical Region

The domestic market accounted for 73% of Romi's consolidated revenue in 9M21 (57% in 9M20). Considering the revenue obtained in foreign markets, which takes into account sales by Romi's subsidiaries abroad (Germany, China, United States, Italy, United Kingdom, France, Mexico and Spain) and direct sales to other markets, the distribution of Romi's consolidated revenue by geographical region was the following:



The following shows the foreign market revenue, in Reais (R\$) and in US dollars (US\$):

Foreign Sales	Quarterly					Accumulated		
	3Q20	2Q21	3Q21	Var. 3Q21/2Q21	Var. 3Q21/3Q20	9M20	9M21	Chg. 1H19/1H18
Net Sales (R\$ million)	79,7	105,5	106,3	0,8%	33,4%	241,4	256,5	6,2%
Net Sales (US\$ million)	14,7	20,2	20,3	0,5%	38,1%	46,2	48,5	5,0%

In the foreign market, Europe and Asia decreased their share of consolidated revenue in 9M21 when compared to 9M20, due to lower revenues from the German subsidiary BW. Latin America increased its share, mainly in South America.

Adjusted Gross and Operating Margins

The gross margin obtained in 3Q21 was 31.3%, a decrease of -0.3 p.p. compared to 3Q20. The adjusted operating margin (EBIT) increased by 3.0 p.p. in the same period. The higher volume of revenues, combined with the focus on projects aimed at operating efficiency and the efficient control over operating expenses, resulted in this growth in operating margins.

Gross Margin	Quarterly					Accumulated		
	3Q20	2Q21	3Q21	Var. p.p. 3Q21/2Q21	Var. p.p. 3Q21/3Q20	9M20	9M21	Chg. pp 2021/2020
Romi Machines	45.2%	40.6%	41.8%	1.2	(3.5)	43.8%	42.4%	(1.4)
Burkhardt+Weber Machines	11.5%	18.0%	12.7%	(5.3)	1.2	16.1%	11.3%	(4.8)
Rough and Machined Cast Iron Parts	21.5%	25.9%	22.6%	(3.3)	1.1	19.0%	23.9%	4.9
Total	31.6%	32.7%	31.3%	(1.4)	(0.4)	29.8%	32.4%	2.6

EBIT Margin - Adjusted (*)	Quarterly					Accumulated		
	3Q20	2Q21	3Q21	Var. p.p. 3Q21/2Q21	Var. p.p. 3Q21/3Q20	9M20	9M21	Chg. pp 2021/2020
Romi Machines	22.7%	22.1%	23.8%	1.7	1.1	14.4%	24.8%	10.4
Burkhardt+Weber Machines	-10.6%	-4.4%	-11.0%	(6.6)	(0.4)	-4.7%	-16.6%	(11.9)
Rough and Machined Cast Iron Parts	9.2%	15.7%	13.6%	(2.1)	4.4	6.4%	15.6%	9.3
Total	12.3%	15.9%	15.3%	(0.6)	3.0	29.8%	32.4%	2.6

(*) 9M20 is adjusted by the impacts of the “Plano Verão” legal proceeding.

Romi Machines

The gross margin of this Business Unit in 3Q21 decreased by -3.5 p.p. compared to 3Q20 due to the product mix. The evolution of net operating revenue, coupled with the effective control over operating expenses, resulted in an expansion of 1.1 p.p. in operating margin (EBIT) in the same comparison period.

Burkhardt + Weber Machines

The gross margin and the operating margin of this business unit in 3Q21 increased by 1.2 p.p. and decreased by -0.4 p.p., when compared to 3Q20, due to the lower revenue in 2021.

Rough and Machined Cast Iron Parts

In 3Q21, the gross margin of this Business Unit grew by 1.1 p.p. compared to 3Q20, and its operating margin (EBIT) grew by 4.4 p.p. in the same comparison period. This growth was due to the higher volume of revenues and production in 3Q21, reflecting the deliveries of large castings and machined parts, the recovery of the other manufacturing segments, and the projects focused on increasing productivity and operational efficiency.

EBITDA and EBITDA Margin

In 3Q21, the operating cash generation as measured by EBITDA amounted to R\$66.8 million (66.7% over 3Q20), representing an EBITDA margin of 18.2% in the quarter, as shown in the table below:

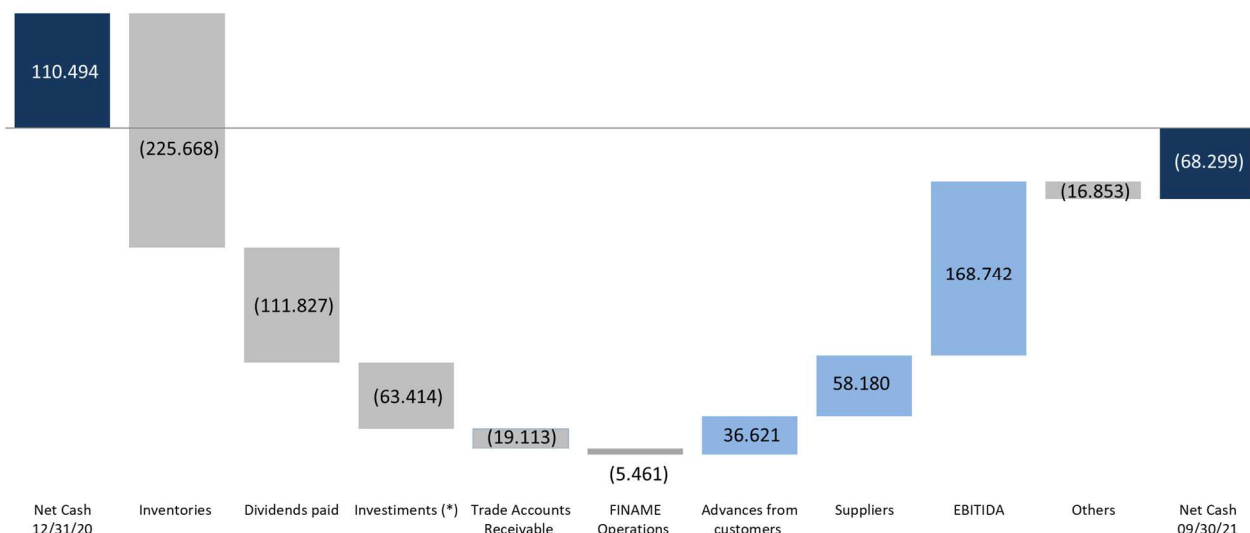
Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly					Accumulated		
	3Q20	2Q21	3Q21	Var. 3Q21/2Q21	Var. 3Q21/3Q20	9M20	9M21	Chg. 2021/2020
Net Income	36,117	42,819	85,850	100.5%	137.7%	88,293	149,413	69.2%
Income tax and social contributions	(4,831)	15,454	(28,159)	-282.2%	482.9%	(13,512)	(7,950)	-41.2%
Net Financial Income	(439)	(2,228)	(1,569)	-29.6%	257.4%	(28,920)	(3,921)	-86.4%
Depreciation and amortization	9,231	10,441	10,704	2.5%	16.0%	26,709	31,199	16.8%
EBITDA	40,078	66,486	66,826	0.5%	66.7%	72,570	168,741	132.5%
EBITDA Margin	16.0%	18.9%	18.2%	-3.6%	14.0%	33.8%	53.1%	57.0%
EBITDA - Adjusted (*)	40,078	66,486	66,826	0.5%	66.7%	73,525	168,741	129.5%
EBITDA Margin - Adjusted (*)	16.0%	18.9%	18.2%	-3.6%	14.0%	34.4%	53.1%	54.4%
Total Net Operating Revenue	250,554	351,459	366,577	4.3%	46.3%	612,507	940,665	53.6%

Net Profit Adjusted

The profit adjusted for 3Q21 was R\$40.8 million, an increase of 12.9% compared to the profit for 3Q20.

Evolution of Net Cash (Debt) Position

The main changes in net cash position during 3Q21, in thousands of reais, are described below:



*The balances recognized under "Investments" are net of the impacts recognized in accordance with CPC 06 (R2) - Leases, equivalent to international standard IFRS 16 - Leases.

In 9M21, the Company's net cash position presented the following main changes:

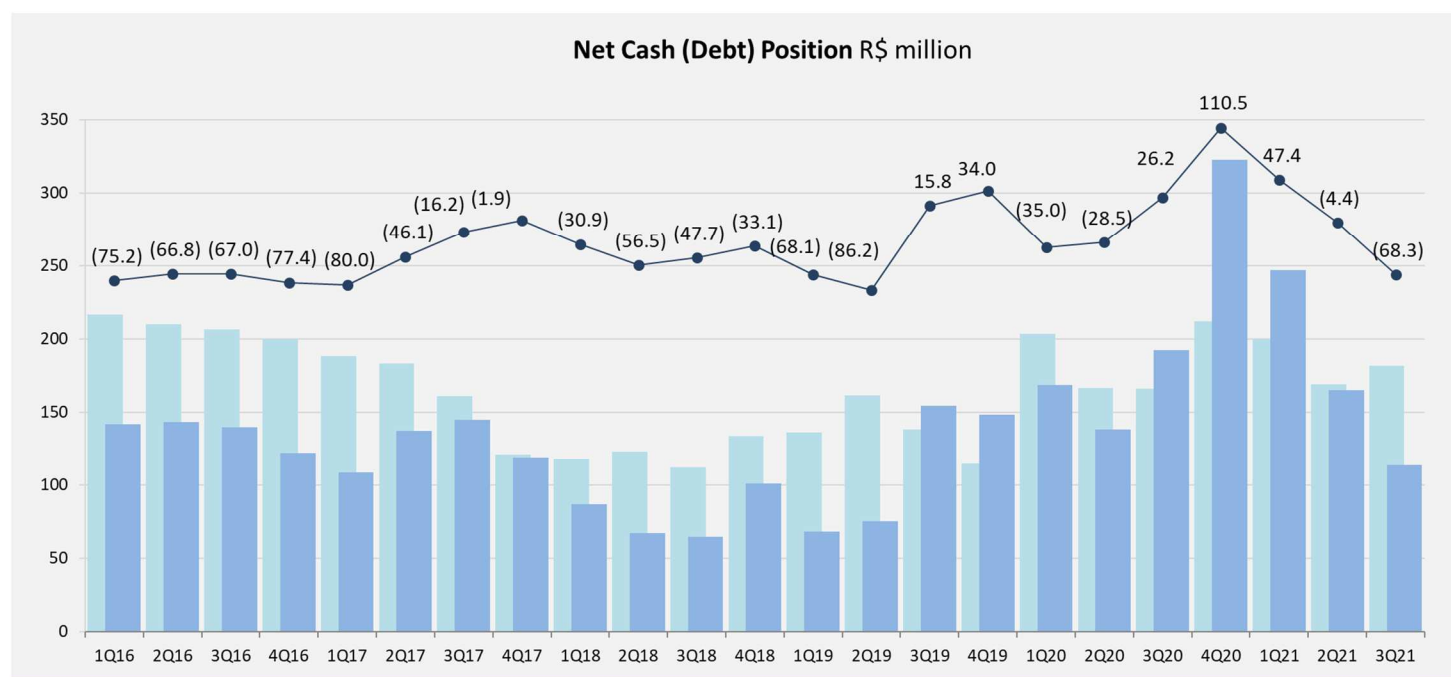
- Increase in inventories due to the growth of about 43% in the backlog, when compared to December 2020. There is also increase in the "Trade accounts payable" account, as a result of the increase in inventories;
- Payment of interest on capital proposed in December 2020 and throughout 2021, and paid during the year;
- Investments made in 9M21, aimed at the maintenance, productivity, flexibility and competitiveness of the other units in the manufacturing complex, as well as in connection with the new machine rental business; and
- Increase in the "Advances from customers" account due to the increase in the volume of new orders and consequently in the backlog.

Financial Position

Short-term investments are made with prime financial institutions with low credit risk and their yield is mainly pegged to the Interbank Certificate of Deposit (CDI). The consolidated net cash position as at September 30, 2021 was negative by R\$68.3 million.

The Company's borrowings are used mainly for investments in the modernization of its manufacturing facilities, research and development of new products, and financing of exports and imports. As at September 30, 2021, the amount of financing in local currency was R\$65.4 million, and in foreign currency, R\$116.3 million, totaling R\$181.7 million, of which R\$32.4 million maturing in up to 12 months.

As at September 30, 2021, the Company recorded R\$113.5 million as cash and cash equivalents and short-term investments.

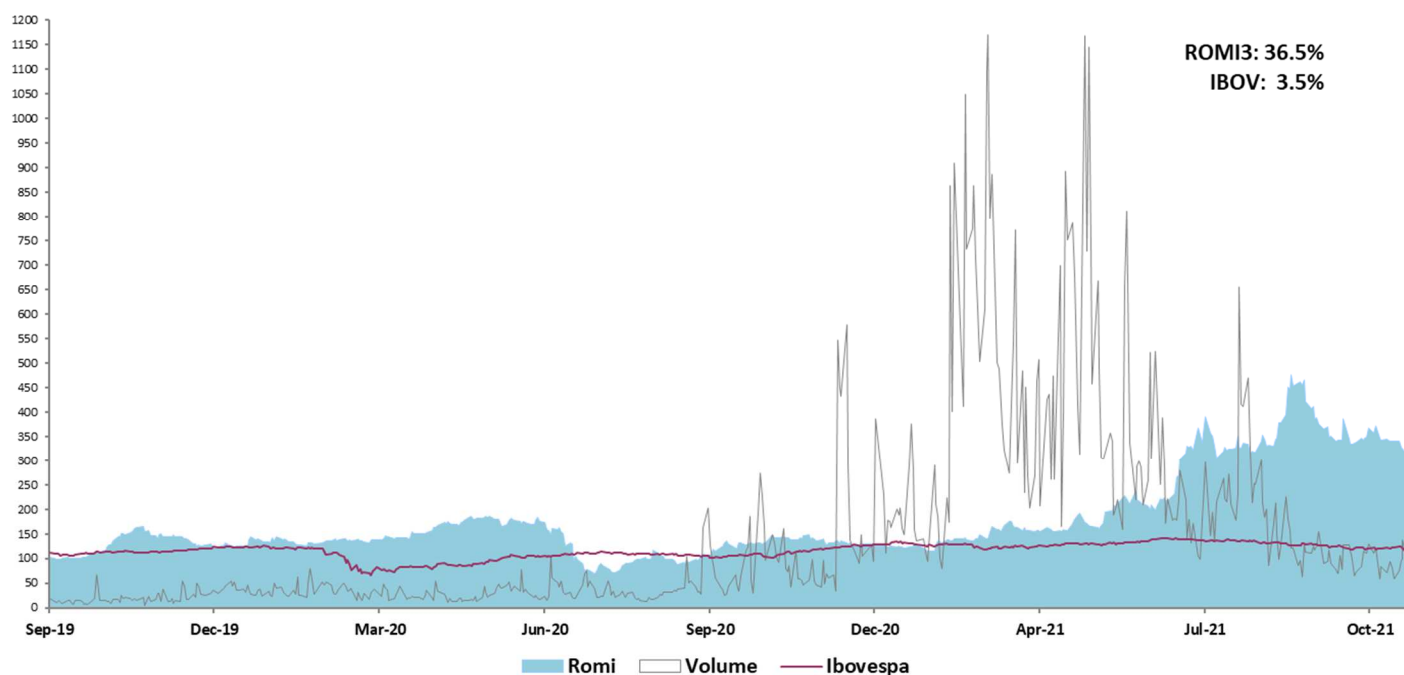


The balances recorded under "Finame Manufacturer Financing" are not used in the calculation of the Company's net debt.

As at September 30, 2021, the Company did not have any derivative transactions.

Capital Markets

From: 9/27/2019 to 10/25/2021



Source: B3.

On October 25, 2021 the Company's common shares (ROMI3), which were quoted at R\$19.25, posted valuation of 59.8% since September 30, 2020 and 36.5% since September 27, 2019. The Bovespa Index (Ibovespa) went up by 3.5%, in the same periods.

The Company's market capitalization on September 25, 2021 was R\$1,411 million. The average daily trading volume during 3Q21 was R\$ 15.9 million.

Consolidated Balance Sheet

IFRS (R\$ 000)

ASSETS	09/30/20	12/31/20	06/30/21	09/30/21
CURRENT	938,737	1,068,695	1,092,746	1,137,982
Cash and Cash equivalents	180,472	195,418	110,676	63,188
Financial investments	12,097	127,166	54,257	50,283
Trade accounts receivable	156,057	186,183	181,648	193,624
Onlending of FINAME manufacturer financing	127,978	131,494	141,290	147,982
Inventories	405,514	358,674	511,327	584,342
Recoverable taxes	36,574	51,204	76,193	84,277
Other receivables	20,045	18,556	17,355	14,286
Judicial Deposits	-	-	-	-
NON CURRENT	288,733	274,089	284,098	330,486
Trade accounts receivable	10,460	13,106	19,334	24,778
Onlending of FINAME manufacturer financing	177,228	203,222	214,598	217,650
Recoverable taxes	63,169	28,256	21,565	49,050
Deferred income and social contribution taxes	31,068	23,934	20,481	21,078
Judicial Deposits	1,887	1,884	1,976	12,092
Other receivables	4,921	3,687	6,144	5,838
Investments				
Property, Plant and Equipment	310,912	314,748	331,801	349,784
Investment Properties	18,163	18,388	18,388	16,621
Intangible assets	74,956	70,788	63,051	65,310
TOTAL ASSETS	1,631,501	1,746,708	1,790,084	1,900,183

LIABILITIES AND SHAREHOLDER'S EQUITY	09/30/20	12/31/20	06/30/21	09/30/21
CURRENT	558,173	586,801	537,149	574,515
Loans and financing	123,144	115,422	35,506	34,170
FINAME manufacturer financing	110,550	122,704	118,208	138,253
Trade accounts payable	79,563	96,054	152,663	156,606
Payroll and related taxes	37,529	36,163	45,324	55,593
Taxes payables	13,124	13,182	18,780	23,225
Advances from customers	79,356	70,462	101,975	107,083
Related parties	2,412	4,856	3,074	4,886
Dividends	76,843	91,130	35,418	25,513
Provision for contingent liabilities	935	1,216	1,422	1,525
Other payables	34,717	35,612	24,779	27,661
NON CURRENT	266,807	345,323	399,596	404,876
Loans and financing	43,208	96,668	133,873	147,600
FINAME manufacturer financing	173,623	201,710	222,662	211,616
Deferred income and social contribution taxes	45,277	43,372	39,314	41,490
Reserve for contingencies	605	296	309	561
Other payables	4,094	3,277	3,438	3,609
SHAREHOLDER'S EQUITY	805,029	813,003	851,726	919,233
Capital	492,025	637,756	637,756	637,756
Retained earnings	219,641	86,894	130,500	189,845
Cumulative translation adjustments	93,363	88,353	83,470	91,632
NON CONTROLLING INTERESTS	1,492	1,581	1,613	1,559
TOTAL SHAREHOLDER'S EQUITY	806,521	814,584	853,339	920,792
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,631,501	1,746,708	1,790,084	1,900,183

Consolidated Income Statement

IFRS (R\$ thousand)

	3Q20	2Q21	3Q21	Chg. 3Q21/2Q21	Chg. 3Q21/3Q20	9M20	9M21	Chg. 2021/2020
Net Operating Revenue	250.554	351.459	366.577	4,3%	46,3%	612.507	940.665	53,6%
Cost of Goods Sold	(171.261)	(236.640)	(251.945)	6,5%	47,1%	(429.895)	(635.745)	47,9%
Gross Profit	79.293	114.819	114.632	-0,2%	44,6%	182.612	304.920	67,0%
Gross Margin %	31,6%	32,7%	31,3%			29,8%	32,4%	
Operating revenues (expenses)	(48.446)	(58.774)	(58.510)	-0,4%	20,8%	(136.751)	(167.378)	22,4%
Selling expenses	(21.746)	(27.923)	(26.943)	-3,5%	23,9%	(61.200)	(77.259)	26,2%
Research and development expenses	(5.937)	(6.953)	(7.001)	0,7%	17,9%	(16.481)	(20.168)	22,4%
General and administrative expenses	(18.296)	(21.222)	(21.904)	3,2%	19,7%	(53.068)	(63.549)	19,8%
Management profit sharing and compensation	(3.425)	(4.182)	(3.938)	-5,8%	15,0%	(7.586)	(11.088)	46,2%
Other operating income, net	958	1.506	1.276	-15,3%	33,2%	1.584	4.686	195,8%
Operating Income (loss) before Financial Results	30.847	56.045	56.122	0,1%	81,9%	45.861	137.542	199,9%
Operating Margin %	12,3%	15,9%	15,3%			7,5%	14,6%	
Operating Income (loss) before Financial Results - Adjusted (*)	30.847	56.045	56.122			36.516	137.542	
Operating Margin % - Adjusted (*)	12,3%	15,9%	15,3%			6,0%	14,6%	
Financial Results, Net	439	2.228	1.569	-29,6%	257,4%	28.920	3.921	-86,4%
Financial income	1.099	2.609	4.869	86,6%	343,0%	31.031	9.624	-69,0%
Financial expenses	(3.153)	(3.211)	(3.224)	0,4%	2,3%	(7.968)	(10.323)	29,6%
Exchange gain (loss), net	2.493	2.830	(76)	-102,7%	-103,0%	5.857	4.620	-21,1%
Operations Operating Income	31.286	58.273	57.691	-1,0%	84,4%	74.781	141.463	89,2%
Income tax and social contribution	4.831	(15.454)	28.159	-282,2%	482,9%	13.512	7.950	-41,2%
Net income	36.117	42.819	85.850	100,5%	137,7%	88.293	149.413	69,2%
Net Margin %	14,4%	12,2%	23,4%			14,4%	15,9%	
Net profit (loss) concerning:								
Controlling interests	36.082	42.736	85.747	100,6%	137,6%	88.159	149.153	69,2%
Non controlling interests	35	83	103	24,1%	194,3%	133	260	95,5%
EBITDA	40.078	66.486	66.826	0,5%	66,7%	72.570	168.741	132,5%
Profit (loss) for the period	36.117	42.819	85.850	100,5%	137,7%	88.293	149.413	69,2%
Income tax and social contribution	(4.831)	15.454	(28.159)	-282,2%	482,9%	(13.512)	(7.950)	-41,2%
Financial result, net	(439)	(2.228)	(1.569)	-29,6%	257,4%	(28.920)	(3.921)	-86,4%
Depreciation and amortization	9.231	10.441	10.704	2,5%	16,0%	26.709	31.199	16,8%
EBITDA Margin %	16,0%	18,9%	18,2%			11,8%	17,9%	
EBITDA - Adjusted (*)	40.078	66.486	66.826			117.162	168.741	
EBITDA Margin % - Adjusted (*)	16,0%	18,9%	18,2%			19,1%	17,9%	
Nº of shares in capital stock (th)	62.858	73.334	73.334			188.573	220.002	16,7%
Profit (loss) per share - R\$	0,57	0,58	1,17			1,40	2,03	45,0%

Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	3Q20	2Q21	3Q21	9M20	9M21
Cash from operating activities					
Net Income before taxation	31.286	58.273	57.691	74.781	141.463
Financial expenses and exchange gain	(33.524)	(11.437)	4.718	(52.207)	(5.295)
Depreciation and amortization	9.231	10.441	12.040	26.710	32.535
Allowance for doubtful accounts and other receivables	(939)	(515)	(511)	945	(1.235)
Proceeds from sale of fixed assets and intangibles	(899)	(307)	(249)	(2.191)	(744)
Provision for inventory realization	1.977	(6.151)	230	10.716	(3.986)
Reserve for contingencies	150	(176)	324	141	135
Trade accounts receivable	20.197	(23.558)	(12.661)	28.673	(10.055)
Onlending of Finame manufacturer financing	(25.583)	(17.313)	(9.326)	(41.008)	(30.103)
Inventories	8.953	(47.667)	(72.147)	(81.463)	(220.584)
Recoverable taxes, net	1.505	(6.874)	6.759	(36.241)	(8.086)
Judicial deposits	(10)	25	(10.116)	43	(10.208)
Other receivables	20.950	(842)	4.016	48.610	3.327
Trade accounts payable	10.660	12.827	4.795	23.065	62.634
Payroll and related taxes	7.588	13.062	10.269	16.241	19.430
Taxes payable	14.406	(15.090)	(8.104)	25.033	(26.482)
Advances from customers	1.976	(15.349)	5.108	11.156	36.621
Other payables	(2.763)	3.551	4.892	11.434	(7.150)
Cash provided by (used in) operating activities	65.161	(47.100)	(2.272)	64.438	(27.783)
Income tax and social contribution paid	(102)	(144)	(41)	(303)	(332)
Net Cash provided by (used in) operating activities	65.059	(47.244)	(2.313)	64.135	(28.115)
Financial Investments	(11.578)	45.187	3.974	-	76.883
Purchase of fixed assets	(19.207)	(24.273)	(14.223)	(28.874)	(56.803)
Sales of fixed assets	(1)	985	802	1.737	2.111
Purchase of intangible assets	(111)	(1)	(347)	(774)	(570)
Unrealized profit	-	-	-	-	-
Net cash Used in Investing Activities	(30.897)	21.898	(9.794)	(39.325)	21.621
Interest on capital paid	(98)	(10.705)	(36.472)	(39.617)	(112.108)
New loans and financing	63.591	-	22.105	151.800	79.637
Payments of loans and financing	(71.241)	(16.248)	(18.043)	(136.874)	(108.253)
Interests paid (including Finame manufacturer financing)	(3.844)	(8.444)	(12.778)	(11.988)	(31.686)
New loans in Finame manufacturer	40.598	59.757	58.414	111.045	158.388
Payment of Finame manufacturer financing	(17.126)	(37.591)	(39.183)	(54.044)	(109.585)
Net Cash provided by (used in) Financing Activities	11.880	(13.231)	(25.957)	20.322	(123.607)
Increase (decrease) in cash and cash equivalents	46.042	(38.577)	(38.064)	45.132	(130.101)
Exchange variation changes on cash and cash equivalents abroad	(3.280)	1.518	(9.424)	(12.466)	(2.129)
Cash and cash equivalents - beginning of period	137.710	147.735	110.676	147.807	195.418
Cash and cash equivalents - end of period	180.472	110.676	63.188	180.472	63.188

Attachment I – Income Statement by Business Unit

Income Statement by Business Units - 1Q21

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	194,669	55,064	116,844	366,577
Cost of Sales and Services	(93,713)	(48,087)	(110,145)	(251,945)
Business Units Transfers	287	-	19,957	20,244
Business Units Transfers	(19,957)	-	(287)	(20,244)
Gross Profit	81,286	6,977	26,369	114,632
Gross Margin %	41.8%	12.7%	22.6%	31.3%
Operating Expenses	(34,957)	(13,048)	(10,505)	(58,510)
Selling	(19,509)	(5,300)	(2,134)	(26,943)
General and Administrative	(8,940)	(7,748)	(4,564)	(21,252)
Research and Development	(4,986)	-	(2,015)	(7,001)
Management profit sharing	(2,146)	-	(1,792)	(3,938)
Other operating revenue	624	-	-	624
Operating Income (loss) before Financial Results	46,329	(6,071)	15,864	56,122
Operating Margin %	23.8%	-11.0%	13.6%	15.3%
Operating loss before Financial Results - Adjusted (*)	46,329	(6,071)	15,864	56,122
Operating Margin % - Adjusted (*)	23.8%	-11.0%	13.6%	15.3%
Depreciation and amortization	5,466	3,604	2,969	12,039
EBITDA	51,795	(2,467)	18,833	68,160
EBITDA Margin %	26.6%	-4.5%	16.1%	18.6%
EBITDA - Adjusted (*)	51,795	(2,467)	18,833	68,160
EBITDA Margin % - Adjusted (*)	26.6%	-4.5%	16.1%	18.6%

Income Statement by Business Units - 3Q20

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
Net Operating Revenue	126,823	46,672	77,059	250,554
Cost of Sales and Services	(63,133)	(41,304)	(66,824)	(171,261)
Business Units Transfers	410	-	6,742	7,152
Business Units Transfers	(6,742)	-	(410)	(7,152)
Gross Profit	57,358	5,368	16,567	79,293
Gross Margin %	45.2%	11.5%	21.5%	31.6%
Operating Expenses	(28,617)	(10,332)	(9,497)	(48,446)
Selling	(17,897)	(2,477)	(1,372)	(21,746)
General and Administrative	(5,971)	(7,855)	(4,470)	(18,296)
Research and Development	(4,346)	-	(1,591)	(5,937)
Management profit sharing	(1,361)	-	(2,064)	(3,425)
Other operating revenue	958	-	-	958
Operating Income (loss) before Financial Results	28,741	(4,964)	7,070	30,847
Operating Margin %	22.7%	-10.6%	9.2%	12.3%
Operating loss before Financial Results - Adjusted (*)	28,741	(4,964)	7,070	30,847
Operating Margin % - Adjusted (*)	22.7%	-10.6%	9.2%	12.3%
Depreciation and amortization	3,412	3,009	2,810	9,231
EBITDA	32,153	(1,955)	9,880	40,078
EBITDA Margin %	25.4%	-4.2%	12.8%	16.0%
EBITDA - Adjusted (*)	32,153	(1,955)	9,880	40,078
EBITDA Margin % - Adjusted (*)	25.4%	-4.2%	12.8%	16.0%

Attachment II - Financial Statements of BW

Income Statement by Business Units - 9M21

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	519,618	126,239	294,808	940,665
Cost of Sales and Services	(251,419)	(111,967)	(272,359)	(635,745)
Business Units Transfers	954	-	49,024	49,978
Business Units Transfers	(49,024)	-	(954)	(49,978)
Gross Profit	220,129	14,272	70,519	304,920
Gross Margin %	42.4%	11.3%	23.9%	32.4%
Operating Expenses	(100,820)	(35,177)	(31,381)	(167,378)
Selling	(57,749)	(12,962)	(6,548)	(77,259)
General and Administrative	(25,189)	(24,076)	(13,632)	(62,897)
Research and Development	(14,567)	-	(5,601)	(20,168)
Management profit sharing	(5,488)	-	(5,600)	(11,088)
Other operating revenue	2,173	1,861	-	4,034
Operating Income before Financial Results	119,309	(20,905)	39,138	137,542
Operating Margin %	23.0%	-16.6%	13.3%	14.6%
Operating loss before Financial Results - Adjusted (*)	128,976	(20,905)	39,138	147,209
Operating Margin % - Adjusted (*)	24.8%	-16.6%	13.3%	15.6%
Depreciation and amortization	14,032	9,708	8,795	32,535
EBITDA	133,341	(11,197)	47,933	170,077
EBITDA Margin %	25.7%	-8.9%	16.3%	18.1%
EBITDA - Adjusted (*)	133,341	(11,197)	47,933	170,077
EBITDA Margin % - Adjusted (*)	25.7%	-8.9%	16.3%	18.1%

Income Statement by Business Units - 9M20

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	285,577	153,460	173,470	612,507
Cost of Sales and Services	(144,724)	(128,777)	(156,394)	(429,895)
Business Units Transfers	960	-	16,842	17,802
Business Units Transfers	(16,842)	-	(960)	(17,802)
Gross Profit	124,971	24,683	32,958	182,612
Gross Margin %	43.8%	16.1%	19.0%	29.8%
Operating Expenses	(83,003)	(31,836)	(21,911)	(136,750)
Selling	(47,506)	(10,469)	(3,225)	(61,200)
General and Administrative	(20,798)	(21,367)	(10,903)	(53,068)
Research and Development	(12,581)	-	(3,900)	(16,481)
Management profit sharing	(3,703)	-	(3,883)	(7,586)
Other operating revenue	1,585	-	-	1,585
Operating Income before Financial Results	41,968	(7,153)	11,047	45,862
Operating Margin %	14.7%	-4.7%	6.4%	7.5%
Operating loss before Financial Results - Adjusted (*)	41,252	(7,153)	11,047	45,146
Operating Margin % - Adjusted (*)	14.4%	-4.7%	6.4%	7.4%
Depreciation and amortization	9,576	8,258	8,874	26,708
EBITDA	51,544	1,105	19,921	72,570
EBITDA Margin %	18.0%	0.7%	11.5%	11.8%
EBITDA - Adjusted (*)	50,828	1,105	19,921	71,854
EBITDA Margin % - Adjusted (*)	17.8%	0.7%	11.5%	11.7%

Balance Sheet BW

(€ 000)

ASSETS	09/30/20	12/31/20	06/30/21	09/30/21
CURRENT	20,290	19,544	24,492	24,693
Cash and Cash equivalents	640	3,262	2,073	916
Trade accounts receivable	5,330	9,154	7,458	6,177
Inventories	13,031	6,342	12,676	15,194
Recoverable taxes	254	331	710	793
Deferred income and social contribution taxes	599	60	671	902
Related Parties	13	-	-	50
Other receivables	424	395	904	661
Investments				
Property, plant and equipment	13,309	13,338	12,606	12,638
Investment in subsidiaries	-	-	-	-
Intangible assets	11,174	10,931	10,461	10,209
TOTAL ASSETS	44,774	43,813	47,559	47,540
LIABILITIES AND SHAREHOLDER'S EQUITY	09/30/20	12/31/20	06/30/21	09/30/21
CURRENT	12,516	10,421	16,535	17,364
Loans and financing	(0)	-	-	-
Trade accounts payable	1,186	888	2,083	3,697
Payroll and related taxes	1,201	891	1,646	1,526
Taxes payable	133	187	335	420
Advances from customers	7,148	5,209	9,653	8,366
Other payables	2,221	2,834	2,354	2,878
Related Parties	627	412	464	477
NON CURRENT	9,358	9,483	9,148	9,020
Loans and financing	5,167	5,338	5,172	5,089
Deferred income and social contribution taxes	4,190	4,145	3,976	3,931
SHAREHOLDER'S EQUITY	22,900	23,908	21,876	21,156
Capital	7,025	7,025	7,025	7,025
Capital reserve	505	505	505	505
Profit reserve	15,370	16,378	14,346	13,626
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	44,774	43,813	47,559	47,540

BW Income Statement

	(€ 000)			(€ 000)	
	3Q20	2Q21	3Q21	9M20	9M21
Net Operating Revenue	7,356	9,353	8,899	26,336	20,288
Cost of Goods Sold	(6,506)	(7,595)	(7,779)	(22,158)	(17,894)
Gross Profit	850	1,758	1,120	4,178	2,394
Gross Margin %	11.6%	18.8%	12.6%	15.9%	11.8%
Operating Expenses	(1,643)	(2,043)	(2,114)	(5,593)	(5,559)
Selling expenses	(392)	(791)	(857)	(1,837)	(2,063)
General and administrative expenses	(1,251)	(1,252)	(1,257)	(3,756)	(3,496)
Operating Income before Financial Results	(793)	(285)	(994)	(1,415)	(3,165)
Operating Margin %	-10.8%	-3.0%	-11.2%	-5.4%	-15.6%
Financial Results, Net	(71)	(23)	(104)	(241)	(196)
Operations Operating Income	(864)	(308)	(1,098)	(1,656)	(3,361)
Income tax and social contribution	192	66	276	323	977
Net income	(672)	(242)	(823)	(1,333)	(2,384)
Net Margin %	-9.1%	-2.6%	-9.2%	-5.1%	-11.8%
EBITDA	(329)	184	(568)	(67)	(1,798)
Net income / loss for the period	(672)	(242)	(823)	(1,333)	(2,384)
Income tax and social contribution	(192)	(66)	(276)	(323)	(977)
Financial income, net	71	23	104	241	196
Depreciation and amortization	464	469	426	1,348	1,366
EBITDA Margin %	-4.5%	2.0%	-6.4%	-0.3%	-8.9%